

Peres Is Hoping to Elicit New U.S. Aid in Meeting With Reagan in October

By Edward Walsh

WASHINGTON Post Service
JERUSALEM — Prime Minister Shimon Peres, seeking additional U.S. aid to rescue Israel's sagging economy, will meet with President Ronald Reagan in Washington early next month, it was announced Monday.

Israel Radio said the meeting would take place at the White House on Oct. 8. The exact date was not officially confirmed, but officials familiar with the planning for the visit said it would probably be about Oct. 8.

[However, Mr. Reagan's spokesman, Larry Speakes, said in Washington, "There's been nothing arranged on a meeting yet," according to The Associated Press. Mr. Speakes added: "We would certainly anticipate having a meeting in the near future, but we do not have a specific date or time, and I don't know whether it would be before the election or not." The presidential election is to be held Nov. 6.]

Mr. Peres met for an hour Monday with the U.S. ambassador to Israel, Samuel W. Lewis, for a discussion of the planned visit to Washington and the state of the Israeli economy.

Emerging from the meeting, Mr. Lewis said the United States is "ready to be helpful in any way we can" to Israel, but he declined to answer questions on whether additional U.S. aid would be conditioned on the new national unity government imposing an economic austerity program.

It was a clear measure of Israel's economic dependence on the United States, and of the deteriorating state of the Israeli economy, that Mr. Peres met with Mr. Lewis only four days after assuming power, and that he plans to travel to Washington to see Mr. Reagan less than a month after he became prime minister.

Mr. Peres assumed office Friday at the head of a national unity government that is dominated by the Labor Party, which he leads, and its bitter political rivals from the Likud bloc.

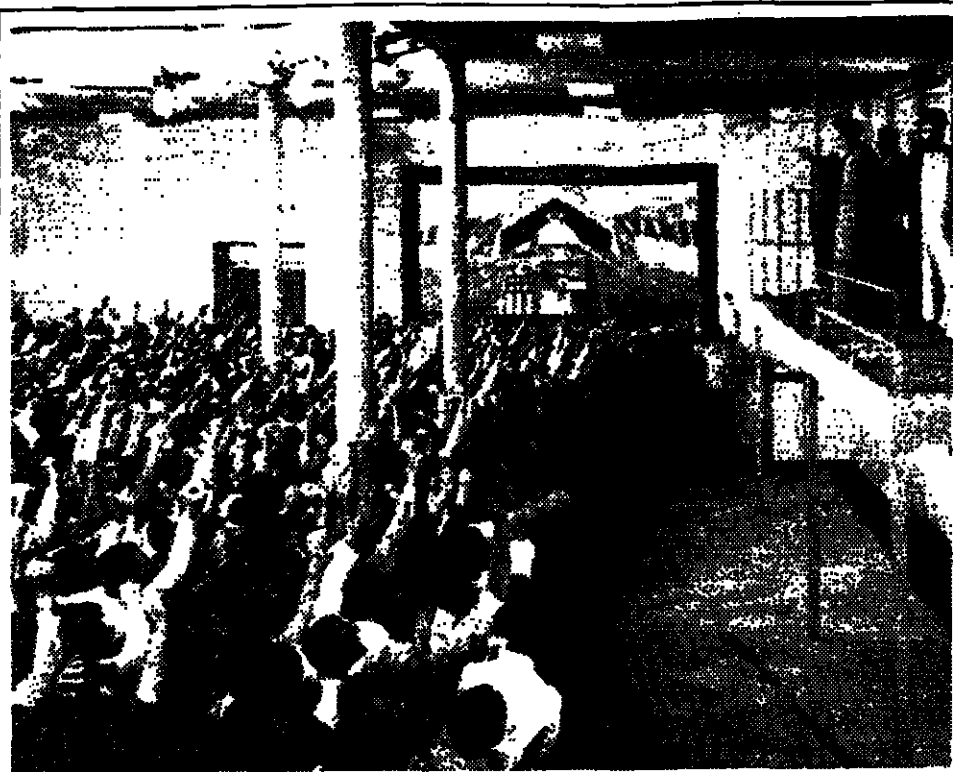
The Reagan administration has said it is willing to support additional emergency economic assistance to Israel, but only if Israel in turn institutes basic reforms in its economic system.

On Sunday, the new Israeli cabinet, in one of its first acts, agreed to cut \$1 billion from the government's \$22-billion-a-year budget, although it delayed decisions on where the cuts will be made. The government also ordered a 9-percent devaluation in the national currency, the shekel, and a 9-percent increase in the subsidized prices of gasoline and other fuels.

Price increases in other subsidized products such as milk, bread and cooking oil also are expected. Israeli officials have talked in terms of seeking \$700 million to \$1 billion in extra aid from the U.S., an amount that would make up most or all of the initial government budget cut. This would be in addition to the \$2.6 billion in economic and military grants for Israel that the U.S. Congress is expected to approve for the 1985 fiscal year.

Bus Attacked on West Bank
Unidentified gunmen opened fire on an Israeli bus traveling south of the occupied West Bank city of Bethlehem on Monday, The Associated Press reported from Jerusalem.

A police spokesman said it appeared some of the passengers were injured, but he said he had no further details. He also said the fire was returned by someone on the bus.



SALUTING THEIR LEADER — Ayatollah Khomeini, the Iranian leader, meets families of people slain and missing in the Iraq war on Monday at a mosque in Tehran. The four-year war has claimed hundreds of thousands of casualties on both sides.

EC Resists U.S. on Third World Credit

(Continued from Page 1)

of the nonindustrialized world and ease the debt crisis.

But the EC countries agreed in principle to step up aid to the poorest countries of black Africa, whose economic situation is becoming increasingly desperate.

Most ministers supported a World Bank proposal for the creation of a special African development fund financed from the extra money many Western countries wanted to give the World Bank's International Development Association, its soft-loan arm, earlier this year before the United States vetoed the plan.

West Germany's finance minister, Gerhard Stoltenberg, opposed setting up such a new fund for Africa, according to conference sources. But he said the EC should seek less formal ways of stepping up aid to black Africa instead.

However, Mr. Stoltenberg also told ministers that Germany would only make a final decision on whether to support the proposed new African aid fund as well as a new special drawing rights issue just before the IMF and World Bank meetings begin.

The Reagan administration has consistently argued that the Western world's current aid plans for African nations and the rest of the nonindustrialized countries are sufficient and oppose any increase in development assistance.

European finance ministers also criticized the U.S. efforts to attract European capital to finance the U.S. budget deficit by abolishing the withholding tax on interest paid to foreign purchasers of Treasury bills and by aiming special new government bond issues at overseas markets.

The community ministers said such moves are draining investment funds away from their own industry and slowing Europe's economic recovery. "It is a point on which we all feel extremely worried," Mr. Dukes said.

Before the weekend meeting, the Belgian finance minister, Willy De Clerq, put forward a compromise for bridging the differences between the United States and other Western countries on the credit and aid issues that will dominate this year's IMF and World Bank meetings, according to European officials.

Mr. De Clerq, who is also chairman of the IMF's Governing Interim Committee, suggested that the community should agree to a slight reduction in debtor countries' borrowing rights from the IMF in deference to U.S. views, and ask the United States to go along with a small new special drawing rights issue in return.

Debtor countries can borrow up to 125 percent of their IMF subscription or quota annually if they adopt economic policies that it prescribes. But since no country has recently borrowed its full entitlement, Mr. De Clerq argued that the ceiling can be lowered slightly without damaging the Third World's prospects.

Equally, he suggested that the distribution of about \$5 billion worth of new special drawing rights to all IMF member countries over two years would help maintain international confidence in this new reserve asset without significantly increasing inflationary pressures.

Some European officials said they still hope a compromise along such lines could be worked out in Washington this week.

In Lebanon, Cabinet Sets New Talks On Reforms

Reuters

BEIRUT — Lebanon's government of national unity began three days of closed talks Monday to discuss issues dividing the country's Christian and Moslem communities and plans to extend Lebanese Army control beyond Beirut.

The gathering, being held in President Amin Gemayel's home village of Bikfaya east of Beirut, is expected to consider reforms that would give the Moslem majority a greater voice in the government.

Prime Minister Rashid Karami said after the opening session that the ministers had set an agenda based on a platform approved by the government in May and had discussed proposals for liberating Israeli-occupied southern Lebanon.

Official sources said the ministers were to vote late Tuesday on a "gentlemen's agreement" to refrain from making inflammatory statements during the talks.

Mr. Karami said they would hear a report on plans to deploy army units on militia-controlled stretches of the Beirut-Damascus highway and the coastal road north and south of Beirut.

Press accounts said the report calls for a five-phase troop deployment. It was drawn up by a security committee of senior Lebanese and Syrian military officers.

Two key Moslem ministers, the Shiite leader Nabih Berri and the Druze leader Walid Jumblatt, have said that they want the army deployed all at once rather than in stages.

Mr. Jumblatt has blocked plans for troops to take over parts of the Beirut-Damascus road held by the Druze, saying that political reform must come first.

Mr. Berri wants priority for reopening the coastal road to the Awali River, 38 kilometers (24 miles) south of Beirut, which marks the northern defense line of Israeli forces in the south.

Failure to agree on details of the plan has stalled peace efforts since the army spread out in Beirut on July 4 to end five months of fighting between Christian and Moslem militias.

Refugee officials who have examined former camp inmates at transit centers in Southeast Asia report that they are often suffering from health problems associated with malnutrition and an unbalanced diet: bad teeth, eye defects, scurvy, ulcers. For some, meals never consisted of more than rice and salt, with occasional pieces of fish. The exiled captain said he was often able to prepare some extra food for himself in the evenings.

Vietnam opened its first re-education centers within days of the fall of Saigon, former prisoners say. Many relatively unimportant or low-ranking South Vietnamese with connections to the fallen government were confined for relatively short periods in April and May 1975.

By June, officials say, higher-ranking officers were beginning to be jailed. At this point the word "studies," which became "re-education" in common parlance, was dropped from the description of the camps and the Vietnamese word for "reconstruction," the same term North Vietnam had earlier employed to describe its prisons, was substituted. As many as 100 of the camps, many of them in the region of Saigon (renamed Ho Chi Minh City), were apparently in operation during this period.

By 1978, according to former prisoners' accounts, which officials caution are always fragmentary because they had no access to records, lower officers began to be released. Military men from the rank of colonel upward were moved farther north.

In 1980, there appears to have been a new series of arrests. But after six months, as applications for emigration and certificates of release examined by refugee officials indicate, many prisoners were again being released.

While Washington awaits Vietnam's response to its offer, the U.S. Embassy in Bangkok is preparing to increase its refugee staff substantially and to computerize its operation to facilitate the quicker movement of people out of Vietnam and into one of several transit centers in Southeast Asia.

WORLD BRIEFS

Solo Balloonist Heads for Switzerland

BREST, France (UPI) — A U.S. balloonist, Joe W. Kittinger, battled shifting winds Monday off the French coast and decided to push on to Switzerland and set a distance record on his way to completing the first solo balloon crossing of the Atlantic, air traffic controllers said.

Controllers in Brest on the Brittany coast said the balloonist was pushed southward by shifting winds and was about 140 miles (225 kilometers) off the Atlantic coast town of Royan. They said Mr. Kittinger's helium balloon was moving at about 40 mph (65 kmph) and had plunged from 9,000 to 7,500 feet (2,700 to 2,300 meters) and would cross the French coast some time Monday night.

Controllers at the Irish air traffic center of Ballygreen near Shannon airport who spoke to Mr. Kittinger said he was in high spirits and intending to fly to Switzerland to beat the distance record set in 1978 by the late Maxie Anderson and his crew on the Double Eagle II. Mr. Kittinger left Caribou, Maine, Friday night aboard his Balloon of Peace.

Soviet Ministry Sets Press Session

MOSCOW (AP) — The Soviet Foreign Ministry announced Monday without elaboration that there would be a press conference here Tuesday "in connection with a provocation against a Soviet citizen."

Because Soviet officials telephoned foreign correspondents to announce the session, it was clear that they wanted to draw as many journalists as possible. The announcement also was carried in Tass, but there was no word on who would conduct the meeting.

There was some speculation in Moscow that the press conference might concern Oleg Bitov, an editor with the Soviet magazine Literaturnaya Gazeta, who defected to Italy last year but who has been missing since mid-August.

Palme Warns Russians on Intrusions

STOCKHOLM (UPI) — Prime Minister Olof Palme strongly warned the Soviet Union Monday that the continued Cold War was forcing Sweden to defend its neutral territory against intruders.

Speaking with unusual sternness, Mr. Palme repeated warnings that his government would not hesitate to sink an intruding submarine and promised that past Soviet incursions would not be forgotten.

Addressing the ruling Social Democratic Party's 29th Congress, Mr. Palme said renewed diplomatic contacts with the Soviet Union should not be viewed as a softening of this neutral nation's defenses. The congress rejected a resolution calling for a cut in the military budget and a marked increase in funds for peace research.

Protesters Invade U.S. Base in Britain

UPPER HEYFORD, England (AP) — Anti-nuclear protesters aboard a train pulled the emergency brake Monday as it passed a U.S. nuclear bomber base, then jumped off, swarmed over a wire fence onto the base and painted slogans on the runway and a radar building, authorities said.

A U.S. Air Force spokesman said 41 people were detained by military police at the base and turned over to the local constabulary. The base houses 70 F-111 bombers.

A group called the Brighton Non-Violent Direct Action Network claimed responsibility for the incursion. Brenda Drury, a spokeswoman, said, "The whole place is obscene — a place whose only purpose is to destroy millions of innocent people."

Greece Protests Albanian Shooting

ATHENS (AP) — Foreign Minister Karolos Papoulias called in the Albanian ambassador, Ksenofon Nushi, on Monday to protest the fatal shooting Saturday of a Greek police officer by Albanian border guards, a government spokesman said.

A Greek spokesman denied earlier reports that the policeman, identified as Pavlos Loli, 48, from a village near the northern Greek town of Konitsa, was shot after wandering across the mountainous frontier by mistake.

He said that Mr. Loli, who was on a hunting trip with friends, was killed by automatic fire from the Albanian side of the border while he was 250 meters (about 275 yards) inside Greek territory. It was the first serious border incident between Greece and Albania since diplomatic relations were established in 1971. In July, France recalled its ambassador after Albanian border guards killed a Club Méditerranée employee when he strayed into Albanian waters while spearfishing near the Greek island of Corfu.

For the Record

Anatoli Karpov, the champion, won the third game of the world chess final in Moscow on Monday when the challenger, Gary Kasparov, resigned after Mr. Karpov's 31st move. Mr. Karpov leads 1-0. The first man to take six games will win the title.

Iranian security agents thwarted an attempt by three persons Monday to hijack an Iran Air flight from Tehran to Bushire, a city on the Gulf in southern Iran. IRNA, the Iranian news agency, reported. The three were arrested at Tehran's Mehrabad Airport before they could board the plane, the agency added.

China and India held the fifth round Monday in talks over their disputed border in the Himalayas. There was little to indicate that any real progress would be made.

South African riot police fired tear gas at a crowd gathering Monday in the black township of Soweto after pamphlets had warned residents not to go to work. Residents in the township, outside Johannesburg, said police officers were touring the area in armored personnel carriers and buses.

Red Cross officials from North Korea and South Korea will meet Tuesday for the first time in seven years in what officials in Seoul hope could be a breakthrough in links between the two states. The meeting, at the border village of Panmunjom, was suggested by North Korea to work out how it will send 110,000 tons of rice, cement, clothing and medical supplies offered as relief aid to flood victims in the South.

Brian Mulrooney was sworn in as prime minister of Canada in Ottawa on Monday. Mr. Mulrooney, leader of the Progressive Conservative Party, replaces John Turner, a Liberal.

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(Continued from Page 1)

inmates here said they expected that a response might come in Geneva at the beginning of next month, when Vietnam will meet with officials of resettlement countries, including the United States, during the annual executive session of the United Nations High Commission for Refugees.

Most of the re-education camp

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inmates were imprisoned because of their participation in the former South Vietnamese government and its armed forces or for their ties with Americans in Vietnam.

Refugee officials say no one knows exactly how many political prisoners are still held by Vietnam. Hanoi's foreign minister, Nguyen Co Thach, has suggested there are 10,000.

In addition, there are tens of thousands of former inmates of the camps, which may have held a total over the last decade of as many as 150,000 men and women, who might try to obtain exit visas from Vietnam because they were imprisoned. Until now, refugee officials say, the Vietnamese government has not granted exit permits to its citizens solely because they had been camp inmates. U.S. officials say they know of at least 18,000 former prisoners among their own records of applicants for asylum.

The United States has pledged to take family members as well as camp inmates. In many instances, families number more than a dozen people.

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Reagan's John Wayne Image Creating Macho Gap in Race With Mondale

By Maureen Dowd
New York Times Service

NEW YORK — Ask men about Ronald Reagan and they often give two-listed answers.

"He's a man who, when he says something, sticks to his guns," said Dan Lucht, a 28-year-old engineer attending a Democratic rally in Detroit. "It's a John Wayne type of thing — you know, the cavalry."

His father, Ken, chimed in: "Reagan can butt up against the Russians."

For three years, the fact that women like the president and his party less than men do has chilled Republicans and warmed Democrats, because women are now as likely to vote as men, and women outnumber men.

But at least for the short run it is Mr. Reagan's extraordinary appeal to men, the flip side of what politicians call the gender gap, that has emerged as a major element in the 1984 presidential campaign.

"I have to say Mondale's just not as forceful," said Mr. Lucht, one of the young urban professionals the Democratic candidates courted in the primary elections with promises of new ideas. "At work, the guys stick to the race as women versus men, with Reagan standing for the values of the men."

Steve Zatyko, a 25-year-old business student at a Democratic event at Syracuse University, said he had noticed some men his age turning toward Mr. Reagan because he "comes off as being a father figure" with solutions to their problems.

In 1980, women split their votes



Walter Mondale fishing on Gunflint Lake in Minnesota.



Ronald Reagan clearing brush with a chainsaw in California.

evenly between Mr. Reagan and Jimmy Carter, and men preferred Mr. Reagan by nearly 20 percentage points, according to polls taken on election day. If anything, the situation is worse for the Democrats now.

In the latest New York Times-CBS News Poll, men preferred the

Republican ticket by 56 percent to 30 percent, while women were almost evenly divided, with 42 percent for the Republicans and 38 percent for the Democrats.

The Republicans, who get relatively few votes from such minorities as blacks, Hispanics and Jews,

The impression has been heightened, those familiar with the matter agree, by the way Mr. Mondale has handled a series of events in his campaign, from his reversal on making Bert Lance chairman of the Democratic National Committee to his sidelines stance in the dispute over the finances of his running mate, Representative Geraldine A. Ferraro.

The Democrats think Mr. Reagan is vulnerable in many ways, but they concede his edge in the bravado department.

"He took a bullet in the chest and survived," Mr. Garth said. "and all of America saw it. That was a very macho thing."

The campaign imagery points up the difference in how the candidates are perceived.

In Texas Mr. Reagan and Vice President George Bush posed in cowboy hats with a pair of cheerleaders.

Mr. Mondale appeared in the "Mondale Family Cookbook," wearing an apron and offering tips on butter versus margarine for his Fettucini a la Pimento Mondale.

"It's the perfect gentleman versus the cowboy," said Rich Bond, a Republican consultant who was an aide to Mr. Bush. "Reagan is a healthy dose of macho, and Mondale is part of the Brie-and-chablis crowd. The Mondale people need to toughen their boy up."

Such braggadocio makes the Democrats boil.

"I think that Walter Mondale gets a bum rap on this male issue," said Robert S. Strauss, the former chief of the Democratic National

Committee, who is heading a council of advisers to the campaign. "The truth of the matter is on male issues — defense and economics and things like that — Mondale is solid."

"Even further than that," Mr. Strauss added, "Mondale is sort of a man's man. He likes to do the things that we associate with male — what do you call it? — macho. He's a fisherman. He likes to sit around and have a drink in the evening with his shoes off and a cigar in his mouth with his friends. He's a hunter. He's interested in sports."

It is particularly frustrating for the Democrats because their polls show that the majority of men side with Mr. Mondale on issues but prefer the president's brand of leadership. The Times-CBS election poll in 1980 indicated that personal traits were more important than issues.

Dotty Lynch, a Washington pollster who has done work for the Mondale campaign, said Mr. Mondale had to convince the voters that his "consensus style" was more appropriate for the technological age than Mr. Reagan's leadership style.

"What is leadership?" she said. "Is it the 73-year-old guy who goes out and chops wood, or is it somebody who puts in long, hard hours and works with groups and solves problems?"

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Liquor Industry Responds to New Sobriety in U.S.

By N.R. Kleinfeld
New York Times Service

NEW YORK — America is drinking less — and that is a sobering experience for the alcoholic beverage industry.

In a country that has become more alert to health and fitness, more agitated about drunken driving, and more mindful of moderation in many social habits, people are drinking less than they have in years. As a result, the entire liquor industry — from distillers and distributors to retailers and bars — is changing the way it does business.

Leading liquor companies such as Seagram and Heublein are responding with new product lines that rely on fruit juices and are seeking to lower the alcohol content of their whiskey. Breweries are introducing low-alcohol and even no-alcohol beer. Mindful of heightened concern about drunken driving, restaurants and bars are cautioning customers to drink in moderation and are plying them with coffee when they leave.

"There is a fundamental attitude change about health and alcoholic beverages," according to J. Penn Kavanagh, president of Schieffelin & Co., one of the oldest American

importers of wine and spirits. He said his company was considering branching out into low-alcohol wines and nonalcoholic products, something that "five years ago would have been unthinkable."

Per capita consumption of distilled spirits fell last year, the fifth year in a row. Beer consumption, after declining in 1982, inched up a bit last year but is down again this year. Though wine drinking rose moderately last year, the gain was nothing like the robust advances of the early 1970s.

Twenty-three states have set the minimum drinking age at 21, compared with 14 states five years ago, and the number seems likely to grow significantly.

Drunken driving has come under concerted attack, with tougher laws in most states, and with court rulings upholding the liability of hosts who serve liquor to inebriated guests.

Various communities now forbid "happy hours," when bars and restaurants sell drinks at discounted prices.

One way that distillers, vintners, and brewers are reacting is to introduce lower-alcohol drinks. Low-alcohol beer, containing

half the alcohol of regular brews, is now available from Anheuser-Busch Inc., the Miller Brewing Co. and the Stroh Brewery Co., among others.

Wine coolers are the hottest item in the wine business. Wine Coolers Inc. pioneered this category, which consists of wine mixed with non-alcoholic products.

The wine and spirits group of the Alco Standard Corp., which produces and distributes alcoholic beverages, attaches this reminder to the labels of its beverages: "Enjoy in Moderation." The company will conduct seminars this fall to educate managers of restaurants and bars on how to serve alcohol responsibly and how to market low-alcohol and alcohol-free products.

Heublein has concentrated on alcohol that mixes well with juices and sodas. "Consumers are looking for relaxation and an elevation of the spirits," said John Powers, president of Heublein. "They are not looking for loss of control."

His company is testing lower-alcohol products such as Citronet, a carbonated citrus drink made with white wine that has 4 percent alcohol.

Heublein has asked the Federal Bureau of Alcohol, Tobacco, and Firearms to alter its regulations to make it easier to sell low-proof whiskey. Under present rules, though, if the alcoholic content is below a certain level, it must be labeled "diluted." Heublein and Seagram would like to be able to label lower-strength spirits as "mild" or "light."

"The cocktail hour has in effect become the wine hour," commented John DeLuca, president of the Wine Institute, a trade association. "The three-martini lunch has become the wine lunch."

Changes are apparent in bars and restaurants, which have become jittery about lawsuits charging them with liability in drunken-driving accidents. Many bars are closing earlier, pressing soft drinks on red-eyed patrons, and posting warning signs.

A potential threat to the industry is a movement to restrict the adver-

tising and marketing of alcoholic beverages. The Center for Science in the Public Interest, which has been a sharp critic of the promotional practices of beer and liquor companies, filed a petition with the Federal Trade Commission last year, advocating tougher marketing rules.

The petition asks either that television and radio advertising of alcoholic beverages be banned or that countercommercialism be run to warn of the perils of drinking.

Criticism has been heaped on the alcoholic beverage industry for promotional activities at colleges, and there is evidence that companies are phasing out their presence there.

No one knows how far the temperance movement may go, though officials of the alcoholic beverage industry seem confident that it will stop well short of a return to Prohibition.

"I think we will get through the difficult times," said Mr. Powers of Heublein. "Alcohol has been with us since before Christ. I believe it is enduring."

N.Y. Man's Neighbors Fail To See Splendor in Grass

New York Times Service

BUFFALO, New York — A self-described environmentalist is scheduled to appear in court this week to defend his right to grow a "small meadow" instead of a lawn in front of the house he rents in the Buffalo suburb of Kenmore.

"My yard is ecologically superior and in no way infringes on my neighbors' rights," said Stephen Kenney, 30, a graduate student at the State University of New York at Buffalo.

His meadowlike yard has annoyed some of his neighbors in Kenmore, a quiet middle-income village. It has led local officials to bring him to Village Court on Tuesday to face charges of violating housing codes. The maximum fine is \$1,000 a day.

Mr. Kenney said he planned to appeal any negative decision. "There's a point where the individual has to tell the state,

"You don't have a right to do this," he said.

Mr. Kenney is writing a doctoral thesis on Henry David Thoreau and the relationship between nature and society. He acknowledged that his writing has been affected by his fight to grow wildflowers and tall clover instead of grass in front of his home.

In the spring of 1983, Mr. Kenney received the first notice that he was violating a section of the village housing code prohibiting undergrowth that is "noxious or detrimental to health."

Shortly after, he erected a sign that said: "This yard is not an example of sloth. It is a natural yard, growing the way God intended."

But his next-door neighbor, James Kioussis, said, "If he doesn't want to conform to the rules and regulations, he should move."

CAMPAIGN BRIEFS

Bush Says Black Leaders Hurt GOP

WASHINGTON (UPI) — Vice President George Bush, seeking to explain why President Ronald Reagan has failed to win significant black support, has said that black leaders and ministers have prejudiced the case against Republicans.

"There has been a lot of discipline in that black community equating compassion with spending on federal programs," Mr. Bush said on a television interview program. "I think the discipline out of the black churches has been strong and we just have to keep trying."

Massachusetts Holds Senate Primary

BOSTON (UPI) — Tight races in both parties to replace retiring Senator Paul E. Tsongas of Massachusetts highlighted primary action Tuesday.

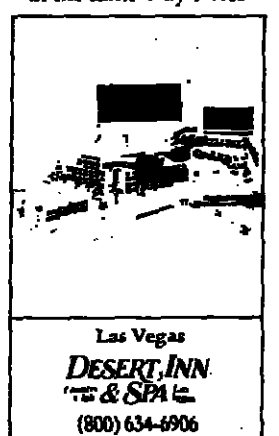
In the contest for the Democratic nomination, polls showed a tight race between Lieutenant Governor John Kerry and Representative James Shannon. Two other candidates are far behind. On the Republican side, polls showed the gap closing between Elliot Richardson, long seen as the front-runner, and a high-tech millionaire, Ray Shamie.

Oklahoma and New Mexico also held contests Tuesday as the primary season draws to a close. Only Hawaii and Louisiana have primaries after this week, with Alabama and Florida yet to hold runoff elections.

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Europeans Reject U.S. Complaints on Defense Role

By Drew Middleton
New York Times Service

BRUSSELS — The European members of the Atlantic alliance are strongly disputing complaints in the United States that they have not contributed adequately to the defense of the West. They assert that they are and that critics in Congress and elsewhere are ignoring the facts.

The catalyst for the dispute was a proposed amendment to a defense authorization bill by Senator Sam Nunn, Democrat of Georgia, that

NEWS ANALYSIS

called for a reduction of U.S. forces in Western Europe by one-third unless the allies did more to build up their conventional forces. Mr. Nunn, diplomats at alliance head-

quarters here point out, was restating a complaint that has been aired periodically since the 1970s.

The real issue, in the words of Steven Ledogar, U.S. deputy chief of mission at the North Atlantic Treaty Organization, is that "the allies are not doing enough" and that this has "implications for the survival of the United States."

Without a credible conventional

defense against Soviet aggression into Western Europe, he said, the United States "would have to turn to thermonuclear exchanges." The threat posed by the Soviet Union and its Warsaw Pact allies, he asserted, is "demonstrably greater than it was 10 years ago."

The Nunn amendment, which was defeated in the Senate in June by a vote of 55 to 41, has increased awareness of the problem, and since then, the Europeans have sought to present the other side of the issue.

The "very substantial scale" of the European contribution is not fully appreciated, a recent statement issued by NATO headquarters here said. "It is by no stretch of the imagination merely secondary to the American effort," it added.

The European allies, the statement said, provide 90 percent of the ground forces, 80 percent of the combat planes, 80 percent of the tanks and 90 percent of the armored divisions in the alliance. Their navies deploy 70 percent of NATO's fighting ships. Europe has three million men and women on active duty and three million in the reserves. The corresponding Amer-

ican figures are two million and one million.

American sources counter that the Europeans, by failing to build up stocks of ammunition, weapons and other supplies, are not prepared for a long war or a defense that would check a Soviet attack. U.S. forces are in a position to fight for at least 30 days with weapons and stores in the area.

John Graham, the British representative to the alliance, defended European efforts, saying that both Britain and West Germany are building up stocks of weapons and ammunition and have introduced new tanks.

A West German source said that the West German Army of 335,000 men and women would be doubled on mobilization and that West Germany is making a contribution, often overlooked, by making available exercise areas, airfields and communications.

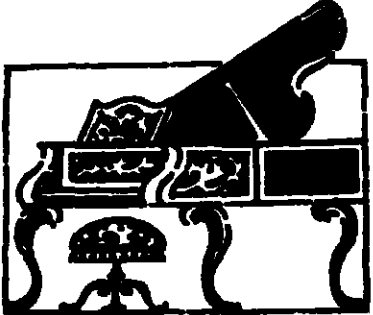
Eurogroup, an informal grouping of the European members of NATO minus France, says it is working for a "strong, cohesive and effective contribution" to the common defense.

In interviews, diplomats empha-



Villagers look on as British troops pass through Greene, West Germany, about 100 kilometers south of Hannover. The soldiers were participating in an exercise called Lionheart '84, involving 40,000 men, the largest British maneuvers since World War II.

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NATO Chief Chides Danes

General Bernard Rogers, the supreme commander of NATO, said Monday in Ringsted, Denmark, that Denmark would be unable to support NATO troops guarding the Baltic approaches — its designated role in a crisis — unless it increased its financial contribution to the alliance, Reuters reported. "If the Danish contribution continues in the direction in which it is now headed," General Rogers said at a news conference, "I am con-

vinced it will reach the point where it will not be able to perform that mission."

Denmark's center-right minority coalition government and the opposition Social Democrats agreed in June on a military budget that effectively froze spending at an inflation-linked 10.5 billion kroner (\$1 billion) annually for the next three years.

General Rogers was visiting a NATO exercise code-named "Bold Gannet."

U.S. Reported to End Hunt For Mines in Red Sea Area

The Associated Press

CAIRO — The U.S. Navy is no longer searching for explosives in the Red Sea area, a source disclosed Monday. France, meanwhile, said that the mine found last week was laid during the 1973 Arab-Israeli war and not in any recent attempt to disrupt shipping in the waterway.

A highly placed source, who spoke on condition that he not be identified by name or nationality, said that the active phase of the U.S. minesweeping effort was finished and that a formal announcement would be made later by the Egyptian government.

The United States dispatched three vessels and seven helicopters to search for mines after explosions damaged 18 ships in the Red Sea and Gulf of Suez from July 9 to Aug. 15. Joining the Americans were naval units from Britain, Egypt, France, Italy, Saudi Arabia and the Soviet Union.

The searchers found only one active mine. An Egyptian military communiqué, released Sunday and confirmed Monday by French offi-

cials, said that the French Navy recovered the mine south of the Gulf of Suez on Friday and detonated it.

A French Defense Ministry spokesman said that the Soviet-built mine was laid during the 1973 Arab-Israeli war. "It has nothing to do with any of the recent suppositions about mining in the area," the spokesman said.

A French source in Cairo said he was convinced that mines from the 1973 war had not been responsible for the recent series of explosions.

No country has claimed responsibility for planting mines this summer. A pro-Iranian group calling itself Islamic Jihad, which claimed responsibility for attacks against U.S. and French installations in Beirut last year, announced that its operatives had planted 192 mines in the Red Sea.

But Egyptian and Western military sources have dismissed the claim, saying that it was unlikely a terrorist group could have planted the explosives without the aid of a maritime nation.

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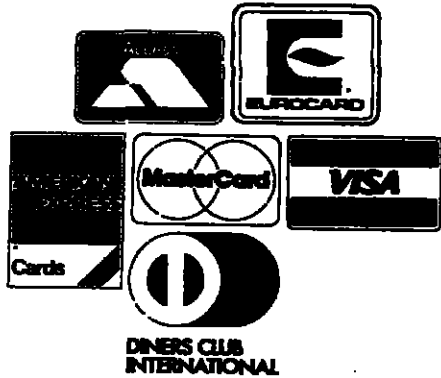
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Denmark	D. Kr.	1,500	750	410
Finland	F.M.	1,120	560	308
France	F.F.	1,000	500	280
Germany	D.M.	412	206	115
Great Britain	£	82	41	23
Greece	Dr.	12,400	6,200	3,450
Ireland	£. Ir.	104	52	29
Italy	Lire	216,000	108,000	59,000
Luxembourg	L. Fr.	7,300	3,650	2,000
Netherlands	Fl.	450	225	124
Norway	N. Kr.	1,160	580	320
Portugal	Esc.	11,200	5,600	3,080
Spain	Ptas	17,400	8,700	4,800
Sweden	S. Kr.	1,160	580	320
Switzerland	S. Fr.	372	186	102
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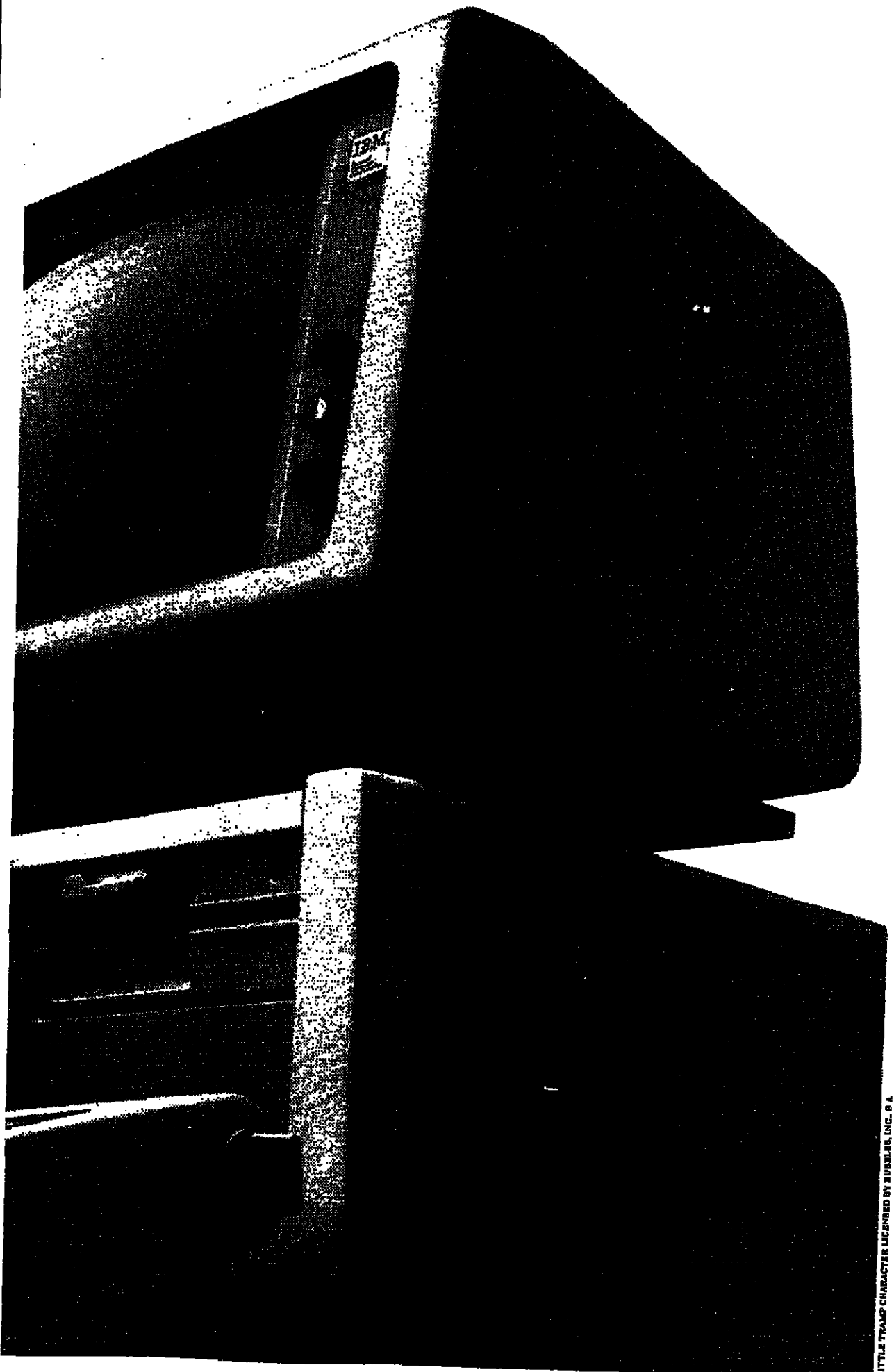


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High-Level Panel Urges U.S., Japan To Cooperate on Building Weapons

The Associated Press

WASHINGTON — A panel of Japanese and American, warning of a buildup of Soviet forces in Northeast Asia and of inadequate Japanese defenses, urged their governments Monday to begin joint development of high-technology weapons.

Ending a 16-month study, the U.S.-Japan Advisory Commission said that Soviet missile strength is expected to increase dramatically and that Japanese defenses fall short of meeting the potential threat.

The group also urged Japan to devise a more positive strategy for easing U.S.-Japanese economic tensions.

"An unacceptable level of friction is building up and mutual trust between the two countries," it said.

The 15-member commission was

formed after a 1983 meeting in Washington between President Ronald Reagan and Prime Minister Yasuhiro Nakasone. It was headed by David Packard, a former assistant U.S. defense secretary and chairman of the Hewlett-Packard Inc., a leading computer firm, and Nobuhiko Ushiba, former Japanese minister for external economic affairs.

"In an era when technology can make decisive contributions to the development of new defense systems," the report said, "Japan and the United States — as the world's two technological leaders — should rigorously pursue research and development collaboration."

"It makes sense to combine such Japanese strengths as state-of-the-art electronics, telecommunications, and maintenance and production techniques with such American skills as systems engineering and software," the report said.

It added: "Soviet air, naval and ground forces in East Asia have been modernized; 135 late-model SS-20 intermediate-range missiles have been deployed; and over 70

Backfire bombers and a new generation of fighters are stationed in the Asian theater." The number of SS-20s is expected to increase dramatically by 1990.

The Soviet fleet in the Pacific, the report said, has more than 800 ships, including at least 125 submarines.

"Japanese capabilities fall short of the missions it has undertaken" in protecting Japan's territory and airspace, the report said, as well as defense of Western Pacific sea lanes.

"Major deficiencies of the Japanese Self-Defense Forces encompass such areas as command and control, communications, integrated air defense, groundwork for tri-service operations, obsolete equipment and logistical reserves," it said.

On economic issues, the advisory commission found that although Japan has made unilateral trade concessions in recent years, the difficulties that American companies still find in marketing goods in Japan, "call into question Japan's commitment to free or fair trade."

"Japan needs to develop strong-



David Packard

ger mechanisms to ensure that once commitments are given, they are implemented fully and on schedule," the report said.

Other members of the commission included Donald H. Rumsfeld, former U.S. defense secretary, Douglas A. Fraser, former president of the United Automobile Workers union, former Foreign Minister Saburo Okita of Japan, and Akio Morita, chairman of Sony Corp.

Treaty with Libyans Buys Moroccans in Sahara

With End to Tripoli Financing of Polisario, Officials Say War Is Nearly Won

By Edward Schumacher

New York Times Service

OUED EL KHATT, Western Sahara — Moroccan officials and military commanders, buoyed by a treaty with Libya that has ended Libyan financing of leftist Polisario guerrillas, assert that they have all but defeated the guerrillas in their eight-year war for the Western Sahara.

At this small outpost nearly 100 miles (160 kilometers) south of the former Spanish colonial capital of Alou, Lieutenant Colonel Abdelhak Sahli, the Moroccan commander of the local sector, stood with his hands on his hips in the scorching Sahara sun and said, "If I am here, then the war is not over."

"But," he added, "we have Polisario where we want them."

The 3,000 to 5,000 Polisario Front guerrillas, fighting for the independence of the former Spanish colony, are likely to continue harassing operations from their bases in Algeria, according to the Moroccan, as well as Western and Arab diplomats and many Saharans.

But they say the treaty ratified two weeks ago with Libya makes formal the final stage of a phased reduction of Libyan aid to the guerrillas over the last year and appears to have accelerated their decline as a major force.

Libya had provided much of the Polisario's financing and arms, including artillery, some tanks and Soviet-made SAM-6 anti-aircraft missiles. Algeria is thought to have helped with logistics, but Moroccan and foreign diplomats say that hardly compensates for Morocco's military superiority, the guerrillas' dwindling number and their loss of political support.

The Moroccans say 18 of their soldiers have been killed this year, a dramatic turnaround from three years ago when Morocco's annual casualties were in the hundreds, the war was sapping the national econ-

omy and the position of King Hassan II, the ruler since 1961, appeared tenuous.

The guerrillas, already frustrated by Morocco's simple military strategy of cordoning off more and more territory by building sand walls, have been unable to carry out a significant raid since an unsuccessful attempt in May to stop

known as "the national question" and was the driving force behind the king's putting up with criticism from his chief allies and arms suppliers, the United States and France, to sign the treaty with Libya.

The king drove Spain from the Sahara by mobilizing more than 300,000 Moroccans in the peaceful

the completion of the latest and largest wall, the sources say.

The walls, bulldozed 6 feet (1.8 meters) to 12 feet high out of the baked sand, stretch more than 800 miles in an arc from near the Algerian border to the Atlantic. A wall also surrounds Dakhla, the only population center to the south.

The walls, slicing off ever-larger sections of the Sahara over the last three years, contain less than half the territory's 109,000 square miles (281,000 square kilometers) but almost all its estimated 150,000 people.

The walls are lined with mines, fortified with gun emplacements and protected by radar and electronic sensors that detect attackers to air attacks in the open and retaliation from Morocco's force of almost 80,000 soldiers.

As a result, the guerrillas have been mostly confined to their base camp in Algeria, venturing occasionally in Land Rovers to within a few miles of the wall and lobbing a few shells before hastily retreating. Extravagant casualty claims by the Polisario have almost all proved false.

Among Moroccans, the incorporation of the Western Sahara is such a powerful issue that it is

Green March into the territory in 1975. Madrid split the territory between Morocco and Mauritania for temporary administration. Moroccan troops took over the Mauritanian half in 1979 after Mauritania began to withdraw under Polisario pressure.

Morocco has agreed to hold a referendum sponsored by the Organization of African Unity, but it has threatened to quit the organization over a demand that it negotiate with the Polisario.

Morocco hopes the Libyan agreement will help move the issue to the Arab League, where it has wide support. The Libyan leader, Colonel Muammar Qadhafi, was a prime mover behind the OAU pressure, and his switch has also occurred as many black Africans are tiring of the divisive Arab issue.

Even though Morocco still officially accepts a referendum, a leading cabinet minister reflected the government's attitude when he said in an interview, "Nobody cares about a referendum now."

One country that does care is Algeria, which has helped arm the Polisario guerrillas at their headquarters in Tindouf, near the Saharan border. Partly behind the support, however, has been competition between Morocco and

Algeria for the dominance of the western Arab world.

"The Polisario are only a proxy in a war between two countries," said Colonel Abdelaziz Bennani, commander of the Moroccan forces in the Western Sahara.

Morocco, which plans to keep extending the wall, is receiving more than \$77 million this year in military aid from the United States, which supplied the electronic sensors. It is also receiving nearly three times that from France, which since 1980 has supplied 50 Mirage planes, American and French officials said. The U.S. aid has decreased from \$101 million in 1983, the Americans said. Saudi Arabia finances most of the arms purchases.

The walls, meanwhile, have virtually ended a way of life for the Bedouins, who until a few years ago still crossed the desert in camel caravans. Morocco has poured economic development funds into the area, turning it into a booming one with new schools, industry and housing to settle the Bedouins and win the hearts of the Saharans.

Thousands of Moroccans have also been enticed by higher, tax-free wages and travel benefits to settle in the Western Sahara. The settlement policy has complicated the issue of who the real Western Saharans are.

230 Vietnam Refugees Rescued by 2 Vessels

Reuters

SINGAPORE — Two ships have rescued more than 230 Vietnamese refugees in the South China Sea, a spokesman for the UN High Commissioner for Refugees said Monday.

The spokesman named one ship as the Liberian-registered Casor, which brought 148 refugees to Singapore on Sunday after picking them up last week.

A commentator for the Indian Express newspaper, voicing widespread speculation, said Mr. Rama Rao regained his seat because Mr. Gandhi's ruling Congress Party "decided to end the farce which had been going on in Hyderabad for the last four weeks and salvage the ruling party's prestige to the extent possible."

The pro-Gandhi Times of India acknowledged it was "now almost certain" that the decision "to allow Mr. N.T. Rama Rao to stage a comeback was taken at an informal meeting Mrs. Gandhi had with senior cabinet colleagues Friday."

Major opposition parties hailed Mr. Rama Rao's return as a defeat for Mrs. Gandhi and called for national "victory rallies" Thursday to celebrate the "victory of democratic forces over authoritarianism."

Mr. Rama Rao's return to office triggered speculation that Prime Minister Indira Gandhi ordered the move to limit political losses caused by the power struggle sparked by his removal.

The former actor had claimed his dismissal Aug. 16 was part of the prime minister's campaign to quash her opposition before national elections that must be held

Rama Rao to Hold Confidence Vote in Assembly

United Press International

NEW DELHI — N.T. Rama Rao, unexpectedly reinstated as chief minister of Andhra Pradesh state, declared Monday that he would hold a vote in the state assembly Thursday to prove he holds a majority.

"I have no fears about proving my majority on the floor of the house," he said.

Mr. Rama Rao was returned to office Sunday after his successor, Bhaskara Rao, resigned when he failed to prove that he held a majority in the state assembly.

Thousands of supporters cheered and danced in the streets Sunday as Mr. Rama Rao and his cabinet were sworn in at the state capital of Hyderabad, 800 miles (1,300 kilometers) south of New Delhi.

Mr. Rama Rao's return to office triggered speculation that Prime Minister Indira Gandhi ordered the move to limit political losses caused by the power struggle sparked by his removal.

The former actor had claimed his dismissal Aug. 16 was part of the prime minister's campaign to quash her opposition before national elections that must be held

by January. Mrs. Gandhi has denied any part in the dismissal.

Ram Lal, the Gandhi appointee who was governor at the time, claimed that he removed Mr. Rama Rao because he had lost his majority in the 295-seat assembly. Mr. Lal did not allow the chief minister to test his claim that he held the support of 163 legislators, a clear majority.

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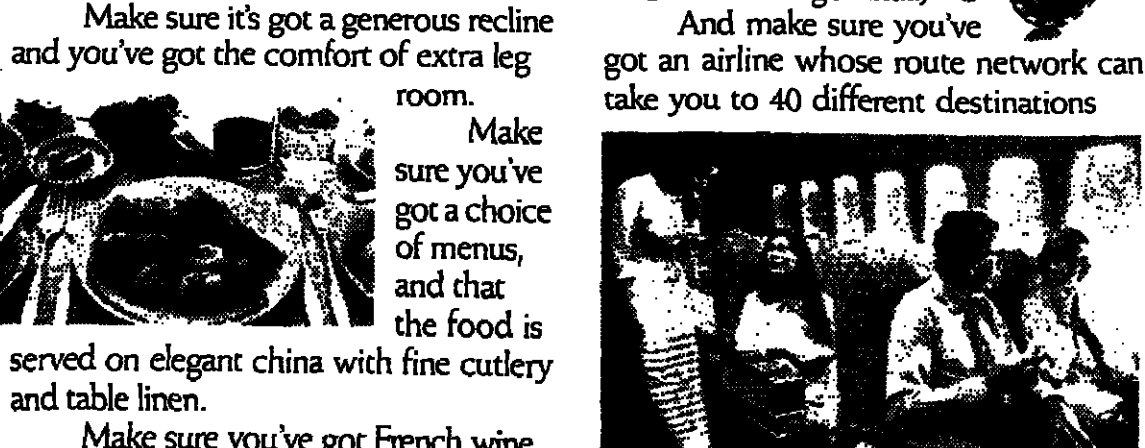
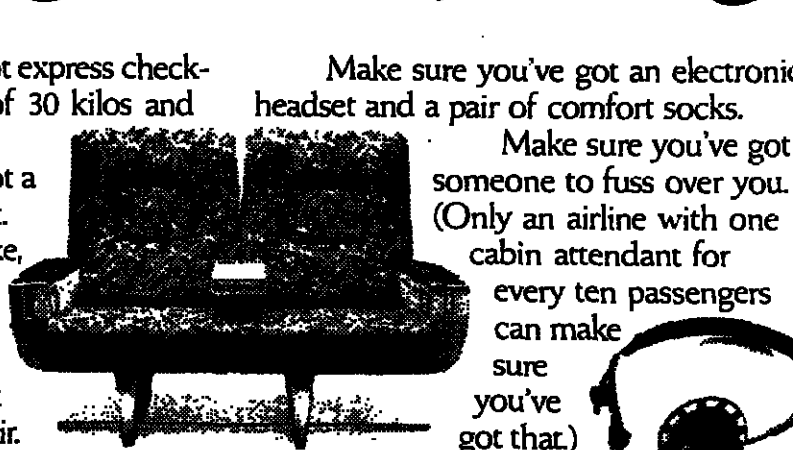
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Pope Shows Skill in Use Of Symbols, Television

By E.J. Dionne Jr.
New York Times Service

ST. CLEMENT'S, Manitoba — On Sunday, the eighth day of his 12-day journey through Canada, Pope John Paul II showed again that he is a master of the symbol, a religious leader aware of how to deal with the crowds that surge forward to touch him and the millions of invisible watchers he is reaching through television.

He sometimes gets his point across with a mere gesture: the kiss on a child's cheek, the gentle caress of an elderly person's deeply lined face. Sometimes he uses those skills to defuse crises, sometimes to provoke and challenge. Sunday, he did both.

That morning in nearby Winnipeg, the pope visited the Cathedral of Vladimir and Olga, a symbol for Canada's large Ukrainian Roman Catholic community.

In his prepared text, the pope spoke of the Ukrainians' "glorious history of faith," of the fact that the Ukrainian Church had remained united with Rome and could be a bridge to the Russian and Ukrainian Orthodox Churches. But he went beyond his text and decided to deal with one of the most painful issues for Ukrainians, the memory of Archbishop Josyf Slipyi, who died Sept. 7 at the age of 92.

Archbishop Slipyi, who spent 18

Philippines Army To Accept Report On Aquino Death

The Associated Press

MANILA — The chief of the Philippine armed forces said Monday that the military will abide by the findings of investigators on who killed the opposition leader Benigno S. Aquino Jr., but he appealed to the public not to speculate on what the findings will be, the Philippine News Agency reported.

In a statement carried by the government news agency, General Fabian Ver made no comment on published allegations linking him and the military to the August 1983 killing of Mr. Aquino, President Ferdinand E. Marcos's chief rival.

"I appeal to everyone to exercise restraint in connection with the board's final days of deliberation," General Ver was reported as saying. "In the interest of truth, justice and fairness, the board should be left alone to finish its reports."



Pope John Paul II greeting costumed Ukrainian women Sunday in Birds Hill, Manitoba.

years in a Soviet prison, died without achieving his goal of being named primate of all Ukrainians. And he remained to his death a critic of the Vatican for its recent openings to the East bloc. He also criticized what he saw as the failure of the Vatican to defend the rights of Ukrainian Catholics with sufficient vigor.

Pope John Paul did not try to reopen this history. But in the middle of his address, he broke off to pay tribute to the late archbishop as a man "who had suffered hardships not unlike those of Christ at Golgotha." "He did not break," the pope said. He was a "noble hero" who "gave his life for the good of the church and his nation."

The words did not resolve the historical dispute, but they eased feelings; they accomplished at least part of the pope's mission to the Ukrainians in Canada.

Then the pope came here, to Birds Hill Provincial Park, to celebrate Mass before about 200,000 people in a field surrounded by woodlands. As he has done before on this trip, the pope marched straight into a divisive political battle, this time over the language rights of Manitoba's French-speaking minority.

"We see how necessary it is to fulfill the Gospel message in order to succeed in harmonizing cultures in a pluralistic unity," he said. "In the civil order, too, the Gospel is at the service of harmony."

The pope urged Canadians "to live in mutual respect for the unique cultural identity of each other."

The message was clear to Manitobans: French language rights must be recognized. That he could draw cheers for a stand on a question that no doubt displeased some

in his audience was a sign of the authority he could carry with him.

And so it has been on other questions: on capitalism, which the pope criticized in Newfoundland, hit hard by unemployment; before a group of native Americans and Eskimos, where he urged that the rights of native peoples be respected; and on public financing of religious schools, which he urged.

Combining the medium and the message has also been important for the pope on matters that are not controversial, on basic Christian issues where no one can disagree but where all must be moved.

John Paul has clearly been at his best in groups of small children. Vatican officials, in fact, often schedule him in for extra time when

he is faced with a group of young people, since they know that he will spend a great deal of time talking, hugging, kissing and embracing those who come to him.

These pictures, broadcast to millions on television, have been as effective as any of the thousands of words the pope has spoken in calling Christians to "love one another," as he has said over and over again.

And according to the television experts, the pope knows what he is doing when confronted with a camera. Edward L. Hersh, senior field producer for ABC News, said, "He clearly understands television and he is clearly not embarrassed or worried by the presence of the camera."

U.S. Works in Moscow On Freeing 5 Americans

United Press International

MOSCOW — The U.S. Embassy said Monday it was working to secure the quick release of five detained Americans whose boat was seized last week by Soviet authorities in the Bering Sea.

The five crew members of the vessel *Frieda L.* were detained Sept. 12 and taken to the town of Ureliki on the Chukotski Peninsula, an embassy spokesman said. No reason for their detention was immediately given.

"We have not been informed of the reason for their continued detention," said Mark Smith, a spokesman. He added, "We have ascertained through direct telephone contact" that they are safe and well.

'No Desire' to Hold Them

Earlier, Don Oberdorfer of The Washington Post reported from Washington:

The five crew members were reported Sunday to be in a Siberian hotel. A Communist Party official in Moscow said there is "no desire" to hold them captive.

Stanislav Menshikov, an adviser to the Central Committee of the Communist Party, predicted that the incident "will be solved very quickly to the mutual benefit of both countries." Mr. Menshikov, the son of a former ambassador to the United States, Mikhail Menshikov, was interviewed from Moscow on an ABC television program.

State Department officials said little is known about the circumstances under which the five men in a 120-foot (36-meter) supply ship were taken into custody Wednesday in a remote area where the Soviet Far East comes within 50 miles (80 kilometers) of Alaska.

The officials, who are going on the assumption that the ship strayed off course into Soviet territory, said the United States was informed by Soviet authorities of the incident Friday. The delay may have been caused in part by the remoteness of the area, they said.

The deputy White House press secretary, Robert Sims, said President Ronald Reagan was informed of the incident Saturday by Robert C. McFarlane, White House national security adviser. An administration official said there was displeasure at the White House that the information had not been provided earlier by either the Coast Guard or the State Department.

Soviet-Bonn Talks On Trade Put Off

Reuters

BONN — The Soviet Union told West Germany Monday it wanted to postpone trade talks planned in Bonn next week due to the death of a key Soviet official, the Economics Ministry said.

West German officials expressed understanding for the request which they linked to the death earlier this month of the Soviet deputy prime minister, Leonid A. Kostandov. He was to have headed his country's delegation at the talks Sept. 24-25.

The deferment closely followed the calling off of visits to West Germany by the East German leader, Erich Honecker, and the Bulgarian leader, Todor K. Zhivkov, which diplomats attributed to pressure from Moscow.

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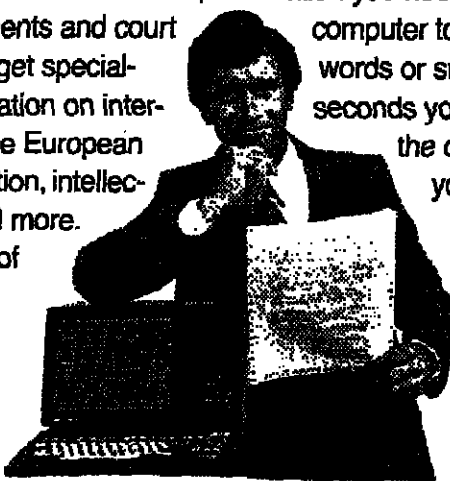
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Published With The New York Times and The Washington Post

Whose God Shall Rule?

Mario Cuomo's lecture last week at Notre Dame University masterfully stated a thoughtful politician's analysis of how his private religious guides his public life. He can be devout without imposing religious beliefs on others — not only can he, but must. Roman Catholics especially know from history that "to assure our freedom, we must allow others the same freedom." To employ the law to force one's religious conviction on others runs the risk that "they might someday force theirs on us."

Respectfully but with force, the New York governor thus reproached the bishops who keep challenging the way he and Geraldine Ferraro and others aim to reconcile their faith and their politics. Reading Scripture to the preachers, he declared, "Physician, heal thyself" — don't ask me to invoke the law to compensate for the failure of your teaching even with your own flock.

Mr. Cuomo defends more than himself or American tradition. He defends the precious but only recently won freedom of Catholics to aspire to any office, free of the suspicion that they are accountable for their public acts not only at the ballot box but in the confessional booth. It might as well be said bluntly: For all the cynical encouragement they are getting from some quarters this year, the Catholic bishops' effort to impose a religious test on the performance of Catholic politicians threatens the hard-won understanding that finally brought the United States to elect a Catholic president a generation ago.

"I do not speak for the church and the church does not speak for me," John F. Ken-

neddy was forced to say, and show. Do the bishops not value the tolerance thus achieved?

Governor Cuomo also gave much richer, and much safer, meaning than did President Reagan to the slogan that "religion and politics are inseparable."

Of course morality guides law and politics, he observed. Murder and theft were proscribed by Scripture long before they were prohibited by law. But especially in America, only a consensus of the society's many faiths can be allowed to transform religious doctrine into law, for without consensus one religion would have to prevail over others by force. If it were the duty of Catholics to forbid abortion even if other faiths deemed it permissible, why not also forbid birth control and divorce? And why demand that the police enforce a teaching that even many Catholics refuse to heed?

And why in any case, Mr. Cuomo asked, do the bishops raise the abortion debate to such a pitch and let it override issues such as nuclear war and life-sustaining aid to the poor?

Mr. Cuomo's lecture, and an equally considered statement by Senator Edward Kennedy, may cool this dangerous church-state debate. Governments in America exist to record the agreements and to restrain the disagreements of every faction. They are not the instruments of enforcing religious rules on any faction. There lurks grave danger even in the more generalized campaign to argue that the United States needs to be a "Christian" nation. As Mr. Cuomo asked — and non-Christians asked — "whose Christianity would be law?"

— THE NEW YORK TIMES

What the Polls Are Saying

Ronald Reagan is ahead by 30 points, one reads. No, his lead over Walter Mondale is just 16 points, another report asserts. Both assertions refer to polls taken during approximately the same period, in an election between the same two candidates, among respondents who have been exposed to the same information. Are some, or all, of the polls vastly wrong? Is public opinion exceedingly volatile? Or is there some other explanation for the discrepancy?

There is if you read the polls right. The first thing to understand is that in a poll that matches a well-known incumbent with a far less well-known challenger, the important result is not the margin between the two candidates but the percentage of the vote the incumbent is getting. Those unwilling to vote for such an incumbent — particularly when, as now, he is a president running in times of peace and prosperity — can be assumed to be in the market for another candidate.

In a recent Los Angeles Times poll in which the president's lead was 30 percent, his share of the vote was 60 percent. In a Washington Post-ABC News poll last week in which the president's lead was 16 percent, his share of the vote was 56 percent. Given margins of error of plus or minus 4 percent, 60 and 56 percent are not very different. You could characterize Mr. Reagan's showings, given the unavoidable imprecision of polls, as "middle to high 50s." By comparison, the president's percentages in a series of polls taken in June and July ranged from 49 to 56 percent: "50 or so." A sensible conclusion is that Mr. Reagan, in his drive to get more than 50 percent of the vote, is "roughly 5 points" better off than before the two parties' conventions and the

much more widely watched Olympic Games. Where does that leave Walter Mondale? Does he have 33 percent of the vote, as the Los Angeles Times says, or 40 percent, as The Post poll has it? The difference is significant statistically, but not politically. Voters do not know Mr. Mondale as well as they will when they make their choice in November, and in the 20th century every major party nominee in a two-candidate race has gotten at least 38 percent of the vote; no one expects Mr. Mondale to do worse than that.

Challengers almost always narrow the gap in polls, unless they make egregious mistakes. So as the campaign goes on, expect the Mondale percentage to rise as he wins over at least some undecided voters who have been looking for an excuse to vote against Ronald Reagan. The key question for Mr. Mondale is: Can he (or circumstances, or declining consumer confidence, or something) lower the Reagan percentage below the 50-percent level?

To that question no pre-election poll can give a definitive answer. Polls are, as the pollsters like to say, snapshots of opinion at one moment in time — snapshots, moreover, that are inevitably fuzzy. Though they provide useful clues to what voters think and believe, and though there is no reason to believe that the major public polls are "wrong," they should not be confused with predictions.

Do not think we are offering these views by way of saying things are not so bad for the Democrats just now. They are: The polls do not have to be predictions to constitute terrible news for Walter Mondale. What they are saying is that at this moment, he is in awful shape.

— THE WASHINGTON POST

A Tough Choice on Steel

So far so good. Last week President Reagan sensibly refused to grant trade protection to the depressed copper mines, arguing that the gain in jobs and profits would be greatly outweighed by the losses to domestic manufacturers and consumers who use the metal.

But copper was only a sidekick to the big steel case the White House must decide this month. And, in this case, the Americans' lobbying against protection seems no match for the groups lobbying in favor. The steel decision thus becomes a pure test of Mr. Reagan's willingness to bear the election-year wrath of a powerful interest for the sake of the long-term health of the economy.

Despite their decade of retrenchment, it is hard to be optimistic about the future of the big, integrated iron and steel producers. Total demand has been stagnant as users of steel have switched to lighter, cheaper, or more versatile materials. And, as countries with low wages and little concern for local environmentalists enter the world steel market, the competitive position of American (and also European and Japanese) makers continues to erode.

That leaves the United States with polar choices. It could accede to the wish of domestic steel makers to stabilize employment and increase profits by reducing imports from about 25 percent of the market to 15 percent. Or it could let imports grow, gradually reducing domestic steel-making capacity to a modern, low-cost core production of perhaps three-fourths of the current output.

The steel industry makes its case in ethical and social terms. Foreign producers, it says, are growing unfairly at the expense of U.S. companies. Imports, it says, destroy American jobs and devastate whole communities.

The honest answer is that, yes, increased foreign competition inevitably spells decline for the domestic steel industry. But it has been poor management, extremely high wages, and the failure to modernize — not imports — that led to the hard landing. Unemployed workers, their families, and their communities do suffer. But their problems are no more severe than those of a dozen other industries in transition.

Technology and trade have always pressed American industries to change or die. The first response has often been to resist those pressures, but economic historians agree that flexibility has always been a major factor in the unique success of the American economy.

Mr. Reagan's immediate concerns are political. If he denies the steel industry, he may lose votes. Even if his election does not turn on those votes, a firm stand against protection could cost the Republicans seats in Congress.

But the Congressional Budget Office estimates that a 15-percent quota for imports would raise steel prices by \$25 billion over the next five years. It would also signal the end of the long postwar effort to open and expand world trade, which has served the United States so well. The political cost of good leadership may be high, but so are the stakes.

— THE NEW YORK TIMES

FROM OUR SEPT. 18 PAGES, 75 AND 50 YEARS AGO

1909: The Cape's 'Magnetic' Rocks

LONDON — A dispatch from Capetown [on Sept. 17] states that the fact that the wreck of the Unihali took place in proximity to the spot where the Maori was lost has given rise to the suggestion that there is a possibility of the iron and ore mountains, not far distant, possessing a strong magnetic influence. An old coasting skipper reports having noticed a deflection and variation of the compass to such an extent as to put his vessel on the rocks. These catastrophes are taken as illustrating the dangers to vessels hugging the coast at this part, and it is pointed out that the Union-Castle liners invariably make a wider circuit.

1934: Sicily's 'Luminous' Woman

VENICE — At a meeting of the Radio Biological Congress, a report on the "luminous" woman of Pirano, whose ability to give off a bluish-white light from her body has puzzled scientists, was read. The report said: "At 10:30 P.M., there appeared a glow of bluish-white light which appeared to come from the patient's chest and lit up her neck and face in such a way as to show up her features. But the light threw no shadow. At the same time the woman moaned: 'O Jesus, help me.' The phenomenon lasted a second, during which time a photograph was taken. But when the photograph was developed it showed nothing."

For Public Morality, Not Public Religion

By Henry Steele Commager

AMHERST, Massachusetts — The great tradition of American churchmen, from William Ellery Channing and Ralph Waldo Emerson and Theodore Parker to Washington Gladden, James Cardinal Gibbons and Reinhold Niebuhr, is that of the moral crusader. They preached public morality, not public religion. No one can question the right of, or the duty of, churchmen of all denominations today to preach morality and religion: It is when they connect morality with a particular brand of religious faith and this, in turn, with political policies that they venture into troubled waters.

It is precisely here that the so-called Moral Majority and the Roman Catholic Church have been successful beyond all expectations — and bounds. They have managed to inject religion into politics more wantonly than at any time since the Know-Nothing crusade of the 1850s, and to enlist President Reagan as spokesman. It is a title he would no doubt repudiate, yet by identifying religion with morality, and morality with politics, he has challenged the spirit of constitutional restrictions on the alliance of church and state, and almost recklessly invited renewal of enmities that Americans were to fight to forever. It is the freedom from these that has been the most conspicuous feature of the American experiment in union and democracy.

We tend to forget that separation of church

and state and rejection of religious establishments were, in the 18th century, the most revolutionary experiment on which the new United States embarked. It commanded more attention than creation of the new nation or the rejection of colonialism. No other Western nation had ever tried so rock-solid an experiment.

But the Founding Fathers knew what they were about: They wanted peace and harmony in a society dangerously heterogeneous. They did not resort to subtle arguments or to elaborate legal provisions but contented themselves with the general principle — one that is subject, as James Madison observed, to a variety of interpretations. But the principle itself was clear. John Adams put it bluntly: "Congress shall never meddle with religion other than to say their own prayers and to give thanks once a year." Furthermore, Madison asserted that "the Constitution does not create a shadow of right in the general government to intermeddle with religion." In the Constitutional Convention, Charles Pinckney, a staunch Episcopalian, proposed the simple provision that "the legislature of the United States shall pass no law on the subject of religion."

Clearly, what the Framers had in mind was more than separating church and state: It was separating religion from politics — religion, not morality, for the Framers were almost to a man high-minded moralists.

They were not like the distinguished political philosophers of the Old World: Rousseau in France, Burke in England, Kant in Prussia. They were practical and hard-headed. John Dickinson of Pennsylvania spoke for all: "Experience must be our guide, theory may mislead us." Just what Joseph Story, Chief Justice John Marshall's successor as the greatest of American constitutional interpreters, said in his "Commentaries": The clause prohibiting any religious test for any office "is not introduced for the purpose of satisfying the scruples of many respectable persons. It had a higher object: to cut off forever, every pretense of any alliance between church and state in the national government."

Americans should not get bogged down in constitutional or legal controversies on this fundamental issue, but strive to fulfill the ideal of the Framers — to create and maintain a political system that, so far as possible, establishes justice and ensures domestic tranquility. To do so, we should resort to experience.

What influence, Madison asked, have "ecclesiastical establishments had in the past? They have

been seen to erect a spiritual tyranny on the ruins of civil authority; they have upheld the throes of political tyranny; in no instances have they been the guardians of the liberties of the people. A just government, instituted to secure and perpetuate the public liberty, needs them not."

We Americans must be clear about our own logic, which is pragmatic, not speculative. We do not limit prayer in public schools or forbid religious "tests" because the Constitution so provides; the Constitution so provides because experience taught its Framers that such actions would menace society's peace and harmony.

The Founding Fathers were, most of them, deeply versed in history. They were familiar with the tragic century-long religious wars that tore the peoples of Britain, Germany and France apart. They were descendants of pilgrims and puritans who found refuge from religious persecutions and of Scottish dissenters. They were all familiar with the Anglican Establishments in at least five American colonies. They were determined that neither religious privilege nor bigotry should ever ruffle the surface of American life.

What is almost miraculous is that the measures they took to avoid all this worked — the mighty Edmund Burke had pronounced it impossible. The new nation managed to welcome and incorporate peoples of every nation and faith and somehow to maintain religious peace and harmony. Americans have never had a religious war, nor even persecution on the Old World scale. There has been prejudice, harassment, ostracism of Catholics, Mormons, Jews and Jehovah's Witnesses, but no one has been sent to the stake or imprisoned or exiled or — since the 1830s — tried for blasphemy; nor have any, except temporarily the Mormons, been denied civil and political rights on religious grounds.

We Americans have, to our shame, indulged more persistently than most civilized nations in racial and ethnic bigotries, and we have paid and are still paying a bitter price for those sins. But we seem to have known, by an instinct rooted in our colonial experience, that we cannot afford a comparable religious bigotry, and that we cannot afford the meddling of religion in politics.

Reason, experience and common sense counsel us to cultivate, in this arena, wisdom, patience and magnanimity — and to bark to Winston Churchill's admonition that "the duty of governments is first of all to be practical."

The writer, emeritus professor of history at Amherst College, is author of "The Empire of Reason" and numerous other books. He contributed this column to The New York Times.



Ethiopian Jews Are Dying: Why Doesn't Israel Help?

By Simcha Jacobovici

TORONTO — At least 1,300 black Ethiopian Jews, mostly children, have died in the past five months in refugee camps outside Ethiopia in the Horn of Africa. In Israel, the Action Committee for Ethiopian Jews, representing about 7,000 of them living there, charges that the government and world Jewish community could have saved them. They are right.

In Jerusalem, Babu Yakov, a leader of the Ethiopian Jews, says: "The Jewish community in Ethiopia itself has virtually disappeared. Only 8,000 remain. Those who could not flee are old, sick and infirm. The least capable of defending themselves are now facing their enemies alone." The enemies are other Ethiopians who have long hated the Jews and now prey on their unhindered. He says that, in addition, there are 11,000 in refugee camps, where some 10 to 15 die every day.

Yitzhak Shamir, who was still prime minister, asserted in a meeting in July with Mr. Yakov and four other Ethiopian Jewish leaders that "Israel is making every effort to save the Jews of Ethiopia." He blamed the meager rescue results on the intransigence of the Ethiopian government, which has no formal diplomatic relations with Israel, and on "logistical difficulties." But Mr. Yakov disagrees. He says that this summer Adis Abeba has been sending emissaries to Israel, ready to negotiate the evacuation of the 8,000. It is the Israeli government, he charges, that has shown little interest in se-

curing their freedom from Ethiopia. The facts support him. For example, in July, Malcolm Rifkind, minister of state at the British Foreign Office, met with Ethiopian ministers in Addis Abeba. In a statement Aug. 2, Mr. Rifkind said the ministers "admitted there had been problems in the past but assured me that there was now no impediment in the way of

the Ethiopians are sincere in their willingness to allow full emigration, since no government anywhere has publicly taken them up on their offer to let the Jews go.

In June, 1,000 Ethiopian Jews demonstrated against Israeli government apathy in the face of the refugee camps deaths. Because topics pertaining to covert rescue are subject to

military censorship, the media were allowed to report the demonstration but — incredibly — were not allowed to say why it took place.

Officials such as Yehuda Dominik, director of immigration and absorption of the Jewish Agency, which handles immigration, argue that publicizing mortality rates in the camps outside Ethiopia would draw undue attention to the issue and endanger secret Israeli rescue missions. He argues that all outsiders should steer clear of the matter. Independent Israeli programs, he says, impede Israel's efforts to help the Ethiopians.

The next news is that in April, May and June, while 850 Ethiopian Jews died, not only were none rescued by Israel but also all major Jewish orga-

nizations, including the World Jewish Congress and Joint Distribution Committee, chose not to provide any financial, medical or food aid.

Susan Schechtman, director of the Canadian Association for Ethiopian Jews, based in Toronto, alludes to the Holocaust in explaining why her organization chooses to disregard the Dominik line: "How can any reasonable person believe that sending food to starving Jewish refugees impedes rescue efforts? The Jewish world watches in silence while hundreds die each month. We take the words 'never again' very seriously."

Though Israel's Ashkenazic and Sephardic chief rabbis ruled in 1974 that the Ethiopians are indeed Jews, the Orthodox establishment insists that, since the community's historic origin is unknown, circumcised Ethiopians must undergo ritual circumcision once in Israel; 3,000 have refused this additional indignity.

Ethiopian Jews in Israel are becoming increasingly desperate. In the past year, 10 have committed suicide. Some have threatened to set themselves on fire in the Knesset to protest government indifference.

What is needed now, along with medical and food relief, is a mass rescue airlift from the camps and from Ethiopia. This will occur only if it is demanded in Israel and abroad.

The contributor, a writer and filmmaker, has lectured and written about Ethiopian Jews' problems since 1978. This column first appeared in The New York Times.

One Israeli official argues that publicizing mortality rates in the camps outside Ethiopia could endanger secret rescue missions.

The Dangerous Nostalgia for a Reunited Europe

By Dominique Moisi

PARIS — The news that Erich Honecker, the East German leader, had postposed his planned visit to Bonn provoked a flutter of comment in the West over the rising tensions within Eastern Europe. What is at stake, beyond the immediate event, is the long-range impact of nationalism.

Nationalism has always been a double-edged blade in the relationship between the Soviet Union and its East European empire. Let loose it was a danger, since ultimately it could only be anti-Russian. But shrewdly manipulated, it could provide a safety valve for local party leaders to redirect social energies or minimize economic frustrations, witness Romania and Poland.

In East Germany, the situation is particularly delicate, both because Germany is a divided country and because German nationalism, historically, has led to immense suffering in Europe. But in the midst of the Euro-missile quarrel, in an attempt to encourage nationalist tendencies in West Germany, Moscow favored the use of the national card by East German leaders. This was a good tactic that proved to be a bad strategy.

Last year, the year of Luther, seemed an ideal occasion to stress German cultural unity in the name of resistance to the deployment of U.S. missiles. For Moscow, it is an irony of history that the efforts it aimed at in the West ultimately succeeded only in the East. In the summer of 1984, East Germans found themselves with more Soviet missiles than they cared for and with no Olympic gold.

The rise of nationalist feelings in Eastern Europe reinforces the nostalgia for a reunited Europe on both sides of the ideological divide. This nostalgia has a very different meaning in Eastern Europe, Western Europe and the United States.

In Eastern Europe, it represents an assertion of identity, a longing for democracy and Western affluence. The dream of a rediscovered Danubian Europe has found its purest expression in literature with the celebration of Kafka, the Czechoslovak Jew who wrote in German and for whom Prague and Vienna were one. But the glorious reminiscence found on both sides of the Elbe of a decaying Austro-Hungarian empire is somewhat mythical. It cannot be resurrected, nor does it correspond to the wishes of most East Europeans, whose nationalism was always crushed by the Hapsburg empire. And the legacy of Munich still weighs heavily in Prague.

In Western Europe, the longing for

a reunited Europe stems from even more contradictory factors. It reflects the nostalgia for a time when Europe was the active center of history, and from the feeling that Europe can only be Europe, politically, economically, culturally and even morally, if it is reunited. This longing reveals a frustration with the present order, in which Western Europe is both protected and divided. But it may also reflect a kind of nationalist tendency bound up in historical escapism. It is the dream of a Sanctuary Europe untouched by the futile bickering of the superpowers in the nuclear age.

Inevitably, however, this longing leads to a dilemma: most European governments do not want to confront. Does a reunited Europe mean a reunified Germany? Would Europe, in rediscovering its roots, also rediscover the sources of its division? It was not so long ago that nationalism led Europe to self-destruction. America's current leaders have not allowed their minds to be cluttered

with such dilemmas. When they call for an end to the Yalta order, they are primarily denouncing Soviet failure to respect the agreement at Yalta to restore democracy to the Eastern countries. The Americans should not enjoy the illusion that the West can decouple the parts of the East the way the Soviet Union tries to draw a line between Western Europe and the United States.

The division of Europe is bound to remain with us for the foreseeable future. But for what is happening in East Germany, the Kremlin will have to answer one day. By reaffirming its authority over East Germany, the Soviet Union has shown who is in control in the Eastern bloc now. But it is also sowing, and fertilizing, the seeds of discontent. In the long run, the troubled partnership will be the one in the East.

The writer, associate director of the Institut Français des Relations Internationales and editor of its journal, *Politique étrangère*, wrote this article for the International Herald Tribune.

LETTERS TO THE EDITOR

Yes, A Political Solution

Regarding "No to Harriman et al" (Letters, Sept. 7):

John Colvin's criticisms (of a Sept. 3 column by W. Averell Harriman, Clark M. Clifford and Marshall D. Shulman) are without foundation. First, in a nuclear conflict between the United States and the Soviet Union there could be no winners. Second, increases in nuclear weapons mean an increase in the risk of holocaust by accident or misadventure, or by unintended escalation. Third, past experience has shown that increases in nuclear weapons on one side lead to more nuclear weapons on the other. Fourth, at the levels of nuclear "overkill" that have existed for years, the notion of nuclear "superiority" is strategically meaningless.

The East-West confrontation requires a political solution. It is therefore absurd for Mr. Colvin to accuse the authors of the column of attempted "appeasement of the Soviets."

LLOYD FIELDS,
Dundee, Scotland.

Sources: A Defense

As a journalist for more than 30 years, may I reply to Campbell Balantyne's letter, "Unnamed Sources" (Sept. 12)?

I deal regularly with a host of middle-level international civil servants and diplomats, most of whom, if asked on the record a question such as "What time is it?" would recoil in horror and reply "You don't seriously expect me to answer that?" I do not find this attitude alarming. I know that, as the saying goes, they are merely protecting their turf. In fact I

find them all rather forthcoming once it has been established that they are not talking for the record.

Thus the facts appear in print though the source is not named. Many of those who provide us with facts would not do so if they thought their names would appear, for they would see (rightly) the wrath of their superiors descending on them for having dared to talk to a journalist.

There are abuses, but I would like to think that the majority of journalists do not make up quotes from "informed sources." I personally am only too pleased to express my signed views in print — witness this letter.

The ideal would be for everyone to stand up and be quoted all the time. I remember Averell Harriman once saying to a group of us on the record, at the time of the election of Pres-

Longer Life Can Add to Inequality

By William Safire

WASHINGTON — My problem this time of year is dead leaves in the driveway. The trick is to rake them up before rain turns them into a slippery mass of mud.

Because I find no solace in leaf raking, this year I have purchased an electric wholesaler. It blows the leaves off the driveway onto a flower bed, where they will become mulch or humus or otherwise degrade themselves usefully. I blow up a leafy storm and think about the two most important news stories of the week, each dealing with humanity's long run.

Professor William Shockley, the scientist who holds that blacks inherit lower intelligence than whites, was awarded only \$1 in damages in his libel suit that means he cannot with impunity be called a Nazi for suggesting voluntary sterilization of those he says are genetically disadvantaged, but he cannot punish those driven to verbal excess by his theory.

At the same time, a generation-long study of children aided by the Head Start program shows that children from poor homes, mainly black, benefit mightily from preschool education. This suggests that early environment counts in scholastic achievement, that no race is doomed to inferiority, and that budget cutters were wise to leave untouched this crown jewel of the Great Society.

Even if Mr. Shockley's theories were true, however, there is every likelihood that tomorrow's geneticists will be able to fix or replace genes so as to give new meaning to the phrase "created equal."

That is especially important now, because the use of computers in education means that students will be able to advance at their own speed, unencumbered by classroom tempo. Unless toddlers from poor families are brought up to speed early, they will fall ever farther behind in life. The gap between classes and between races will grow, endangering democracy and freedom.

We have to come to grips with preschool inequality quickly because we are entering the second stage of The Great Longevity Stretch. In 1900, the average American baby could expect to live to age 48. Today, the life expectancy of an American is close to 80. In one century, man will have nearly doubled his time on Earth.

We have done that just by conquering killers such as infection and certain diseases, so most people do not die before their "allotted" three score and ten. In the next couple of decades, we will not only finish that first phase by curing cancer, heart disease and inherited illness, but we will surely take the next step: Scientists are already attacking the aging process itself.

No reason exists to think that this anti-aging advance will not take place. A drug will surely be found to slow the degeneration of cells. Allow for average progress in disease prevention and cure, we can conservatively predict that life expectancy in the next century will increase at a rate similar to the one in this.

That means that the kid pulling your pants leg today will bear children who can expect to live to 150. But, as asked in "Porgy and Bess," who calls that living? Does it mean that the world will be loaded down with dodderers, codgers and geezers? Does the Second Stretch mean that the explosion of population will overcrowd the world, and that the young will be burdened as never before with the weight of the dependent elderly?

Not necessarily. The ripening of what the Chinese call "the peaches of longevity" includes the slowing of aging. Most of our grandchildren will not begin to suffer the wrinkles and aches of middle age until their 80s and not have to put their chopsticks in a glass until they are 120. This is not Buck Rogers.

Tomorrow's gloomy Malthusians will stress the need for limits: laws restricting remarriage and reproduction after 100, no entry into the work force until 30, forced retirement at 120. But the optimistic realist will see the opportunity in growth. They will emphasize a three-career world of work, and for the easily bored, a life-style (serenading). The world will be a better and happier place if governed, educated and populated by people both experienced and youthful.

We should demand that policy aspirants confront all this. How do we deliver starting-line equality? What standard should determine anti-aging priority? This is surely a urgent as piety and propriety.

The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

John F. Kennedy: "Thank God we have a president in the White House now, and not an umpire." Alas, not everyone is a Harriman.

JOHN PARRY,
Geneva.

Putting Zero to Use

Regarding the opinion "A Russian Tells the West Arms Control Is Possible" (Aug. 27):

Has Spartak Beglov never heard of the zero option? And, if the Soviet Union is willing to pledge "no first use" in earnest, then why not agree to the zero option?

"A unilateral pledge of 'no first use' would eliminate any possibility of using nuclear weapons, and thus the need to maintain an arsenal."

MARK BROWN,
Pitt.

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ARTS / LEISURE

Madame Paulette: The Queen of Hats

International Herald Tribune
PARIS — When the Musée de la Mode et du Costume at the Palais Galliera opens its next fashion retrospective, "La Mode et les Lettres," in December, it will devote the first room to Madame Paulette's hats.

This is a fitting tribute to Paulette, who died last week. For she

HEBE DORSEY

was the last of a species — a high-fashion modiste, which hardly translates into milliner, engaged in a seemingly frivolous craft that reeks of Marie-Antoinette's follies. Rich and titled, Pauline de la Bruyère in real life, Paulette had been in business since 1924. Her remarkable career, which lasted until the end of her life, when she was in her 80s, included making two collections a year, each of at least 100 hats. In the '50s, when women would not dare walk out without a hat, the chapeau season was as important as the couture collections, which it preceded.

Paulette, who at the height of her career had three workrooms and 100 employees, including seven vendeuses, was not the only modiste in Paris. There were at least a dozen more, all with wonderfully poetic names, such as Albouy, Rose Valois, Caroline Reboux, Jeannette Colmbier, and Maud et Nano. But one by one, they had to close, forced down by the disappearance of hats as fashion staples. Paulette survived.

Paris still has a milliner in Jean Barthe, who keeps up the tradition, but he came much later and somehow does not have Paulette's oldtimer's clout. Barthe, who started in the '50s and shared credit with her in the Montmartre collections, said, "I'll miss her. I admired her blindly. She had chic, class and undeniable distinction. She did not need to work. She worked because she could not conceive of life without doing something with her hands."

"She was the survivor of a brilliant era, of which she was the last witness," said Yvonne Deslandes, curator of the Musée des Arts Décoratifs, in charge of costumes.

Besides coiffing an impressive number of chic, establishment women, including the Duchess of Windsor, Paulette kept active with plays, films (including "My Fair Lady") and the Coevas ballet company. She even coiffed the dancers of the Crazy Horse Saloon in Paris. Recently, Paulette made a remarkable comeback, working with Ungaro, Karl Lagerfeld, Hanae Mori and Claude Montana. At Lagerfeld's request, she made hats for Stéphane Audran in a recent film, "Le Sang des Autres."

For Montana's theatrical collec-

tions, she made spectacular, surrealist hats, including one that looked like two head-hugging hands, one white, the other black, and both with red fingernails.

"She was fearless," said Montana's assistant, Beatrice Paul, who worked closely with Paulette. "There was something magic about her hands. She was also fun and had wonderful stories to tell. She had known everybody, including Sonia Delaunay and Christian Bérard."

Paulette worked with Jean-Louis Scherrer for the last 15 years, on both his couture and ready-to-wear collections. Scherrer, who attended her funeral with 16 of his collaborators, said: "She was a great friend, as well as an inspired model. She never missed a rehearsal. She was enthusiastic, full of energy and often worked all night to finish a chapeau."

Marc Bohan, from Dior, who met her in 1946 when he first started in Paris at Robert Piguet's, said: "We became fast friends because my mother was also a modiste. Paulette had a fabulous imagination and a great sense of materials. Under the other modistes, she did not look at just the hat. She'd look at the whole ensemble, the whole allure of the woman."

She was also an optimist who felt hats should be fun. "The wilder the better," she'd say. "Otherwise, get a scarf." She liked to point out that the heyday of hats coincided with World War II because women had nothing frivolous left to them. They needed an escape.

Actually, she made her mark right after the war with turbans, which became associated with her. The story goes that she got the inspiration when she saw the Moroccan troops going down the Champs-Élysées behind General de Gaulle. The irrepressible Paulette reportedly was so impressed by the soldiers' turbans that she went to their barracks and asked the colonel for a closer look. He obliged, and even had one of his soldiers show her how he draped it around.

Et voilà, a chapeau that Paulette felt was just right because women were riding bicycles and could not hold on to a complicated hat. Besides, there was practically nothing to work with, but Jersey was available.

In her salon, near the Rond Point des Champs-Élysées, where a plaque read simply "Paulette, Modes," she had a way of pampering women that was quite out of the ordinary. With her, clients would discuss the occasion, the season, the color and style of dress. Paulette also insisted that her clients would not try their hats sitting down.

"Silhouette," she said, "is just as important as a woman's features."



"Madame Paulette's" turban (1948); recent design for Claude Montana.

A 'Last Rose': Richard Strauss's Tribute to Singer

By John Rockwell
New York Times Service

NEW YORK — The manuscript of an unpublished Richard Strauss song known only to a few of his intimate associates and composed in November 1948 — two months later than the piece that was previously believed to have been his last work — will be auctioned on Dec. 12 by Sotheby's in New York.

The manuscript is part of the estate of Maria Jeriza, who sang the first performances of several important Strauss roles. The Moravian-born soprano, a prima donna at the Metropolitan Opera in the 1920s and early '30s, died in New Jersey at the age of 94. Her estate also contains an earlier version of the song "September," part of the "Four Last Songs" that until now were believed to have been the German composer's final works, plus many letters from Strauss to Jeriza.

The discovery of a new, late song by Strauss is of considerable musical importance. Strauss, who died in September 1949 at 85, is thought by some scholars to be the finest composer in the German song tradition after Franz Schubert and Hugo Wolf, with an affinity for the soprano voice. In addition, his final compositions of the 1940s are especially prized, blending autumnal mastery with late-blooming inspiration.

"I cannot recall a similar discovery of a late work by a major 20th-century composer," said Stephen Roe, Sotheby's music specialist in London.

The unpublished song, called "Malven" (Mallows), a type of flower, is dated Nov. 23, 1948. It was composed at the Montreux Palace Hotel in Switzerland, where Strauss was living. A dedication to Jeriza — "To my beloved Maria, this last rose!" — is inscribed in Strauss's gnarled handwriting at the end of the two-page manuscript.

Sotheby's will not release photocopies of the full score, but the manuscript was made available briefly in the office of David Redden, director of Sotheby's books and manuscripts department.

Unlike "Four Last Songs," which are orchestrally accompanied settings for soprano of poems by Joseph Eichendorff and Hermann Hesse alluding to the themes of death and farewell, "Malven" is a simpler statement. It is 72 bars long, in the key of E flat, with a

characteristic Straussian soprano vocal line, an inventive piano part and unsettling harmonic twists, all in a gentle 2/4 allegretto tempo.

The text, which Roe thinks may have been slightly altered by the composer, is by Betty Knobel, a Swiss poet, novelist and journalist. The two-verse German text paints a metaphorical picture of a garden full of showy blossoms, in which mallow flowers "tower up, scentless and without the glow of purple, like a tear-stained pale face, under the golden heavenly light, and then sway lightly in the wind."

The accompaniment is for piano, with no indication that Strauss intended to orchestrate the score. This, in turn, suggests that this song was never considered part of the "Four Last Songs" group, but stands alone — as a "last rose."

Jeriza was a lifelong champion of Strauss's music. She sang the title part in the premieres of both versions of Strauss's opera "Ariadne auf Naxos" in Stuttgart in 1912 and Vienna in 1916, and was the first Empress in "Die Frau ohne Schatten" in Vienna in 1919. Her other Strauss parts included Octavian in "Der Rosenkavalier" and the title roles in "Salome" and "Die Ägyptische Helena."

She sang many of those roles at the Met. The "short score," in four staves, of an early version of the song "September," dated Aug. 14, 1948, contains an extravagant dedication to Jeriza, full of Straussian puns and affectionate wordplay: "To the most beautiful woman in the world," it begins, echoing a phrase sometimes applied to the glamorous prima donna. The dedication then proceeds to a catalog of nicknames and puns on Strauss roles that Jeriza introduced.

The letters from the composer to Jeriza in the Sotheby's auction were written in 1948 and 1949 and are primarily concerned with Strauss's efforts to raise funds during the postwar period, when he was cut off from his possessions pending his eventual denazification by the Allied authorities. Jeriza advanced him money in return for copies of scores that he had dashed off in 1944 and 1945 to raise funds.

Strauss and Jeriza had a long and close friendship, and some said the soprano had fervent love letters from him. But Redden said that no such letters have surfaced, and that the executors deny that there are any.

There has long been speculation about the existence of "Malven," but it was never confirmed by



Richard Strauss

Strauss experts, according to Barbara Peterson, an American specialist in Strauss's songs and the author of a recent book on the subject.

A preliminary fragment of the score is included in the Strauss catalog, and Strauss's son, Franz, knew of the song. The collection to be sold at Sotheby's includes letters from the composer to Jeriza mentioning "Malven" as well as a letter from the director of the Austrian National Library in 1970 asking her to give the score to his institution. But neither Sotheby's nor the executors of the Jeriza estate were apparently aware of what they had until recently.

Sotheby's had previously auctioned many of Jeriza's possessions — furniture, costumes, and the like. But it was not until Redden encountered the English composer and Strauss specialist Richard Blackford that he realized what he might have. Blackford told Red-

U.S. Film Depicts Army Racism

By Jose D. Abreu
Associated Press

NEW YORK — "A Soldier's Story," a murder-mystery film set in a World War II army base in the Southern United States, left a New York audience gasping from the strong performance of the predominantly black cast and the blunt depiction of racism in the armed forces and among blacks themselves.

The film, based on Charles Fuller's prize-winning drama "Soldier's Play," opened Friday in New York and three other U.S. cities.

"A Soldier's Story" concerns the 1944 murder of Vernon C. Waters, a black sergeant, played by Adolph Caesar, as he returned drunk to the base one night. The Department of

the Army assigns a black attorney, Captain Richard Davenport, played by Howard E. Rollins Jr., to investigate.

Davenport is received with distrust and dismay by Captain Taylor (Dennis Lipscomb), the white base commander, and the black troops of his unit. At the time, soldiers in the U.S. Armed Forces were racially segregated.

Davenport, however, doggedly pursues the investigation, discovering unsettling facts along the way.

To his astonishment, the investigation reveals Waters's desire to please and accommodate white society and his own disdain for blacks.

The audience sat stupefied, not only by the unfolding of the murder plot, but also by Sergeant Waters's words toward his men who did not live up to the values he had set for himself and his race.

Viewers at the screening were almost equally divided between whites and blacks. Some sat in silence at the revelation of Waters's racial hatred, while others exclaimed.

Caesar said that the cast realized from the reactions that "we had them" and that public "was so shocked."

He said that Waters got drunk the night he was killed after finding out that one of his soldiers had committed suicide after being berated in front of the other men.

Sergeant Waters was "psychologically dead anyway because the bastions of his personality were destroyed. Up to that moment he was spit and polish, but now he didn't

care what he looked like," Caesar said.

The sergeant's death was "brought on by the realities of American racism. Having been a byproduct of this racist society, all of his disillusionments were spilling on himself. He felt guilty for bringing about" the suicide of the soldier, C.I. Memphis, played by Larry Riley.

Rollins, who plays Davenport, describes him as "a man who listens for a large part of the film and still sees. He reveals so little of himself. At the end he gives a few hints of his life: He was a lonely person, placed in a lonely barracks." Davenport, even though an officer and an official representative of the Department of the Army, was not allowed to live in the officers' quarters and was given a cot and a desk in an empty barracks.

Norman Jewison, the director, called the film a challenge and said he was satisfied with the product. He said he felt "that the film is good. Whether for today or tomorrow, the audience will find the film."

Director Named in Ontario

United Press International
STRATFORD, Ontario — John Neville, a British actor, will become director of the Stratford Shakespearean Festival in November 1985 for three years. He will replace John Hirsch. Neville, 59, has guided theaters in Edmonton, Alberta, and Halifax, Nova Scotia.

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FUTURES AND OPTIONS

London's Financial Futures Gain Influence in U.S.

By H.J. MAIDENBERG

New York Times Service

LONDON — By Chicago or even New York standards, the London futures markets may seem small. Last year, for example, some 7 million futures contracts were traded here, compared with 140 million in the U.S. markets.

But just as London's cash markets have long played a key role in setting global values for metals, and tropical and other commodities, the two-year-old London International Financial Futures Exchange is starting to have an impact on the U.S. financial futures markets.

One example of this impact is the exchange's year-old Eurodollar futures market, which has been largely responsible for the explosive increase in volume of the Eurodollar futures on the Chicago Mercantile Exchange. Today, the Chicago Mercantile's Eurodollar volume eclipses its Treasury bill futures market.

Regulation is the biggest barrier to more rapid growth of LIFFE.

Thus, the Chicago Board of Trade was pleased when the London exchange introduced Treasury bond futures last June 30. Although the Chicago board's Treasury-bond contract is the most actively traded of all futures, its marketing chief, Thomas K. Bonen, said here recently: "LIFFE's T-bond can't help but bring us more business, just as its Eurodollar contract did for the Chicago Merc."

There is another reason why the normally aggressive Chicagoans are encouraging their London competitor's closing of the contracts, and this was explained by Michael N.H. Jenkins, chief executive of the London exchange.

"For any futures market to succeed, its participants must be able to efficiently offset positions," he said. "LIFFE provides an offset market for financial futures traders in Chicago. Moreover, a futures market can only succeed if there is a strong underlying cash market."

MOST of the London exchange's financial futures volume comes from the Continent, Middle and Far East and is connected with its members' banking and other financial operations in these regions.

But until the London exchange's financial markets are big enough to handle large amounts of hedging by the banks and other institutions, much of the financial futures business, which occurs before the Chicago markets open, will continue to be laid off in Chicago. However, this has not diminished the London exchange in the eyes of the investment bankers.

In fact, today almost all major investment houses here, the United States, Europe and Japan are members of the London exchange. Its Japanese members are so impressed that the Tokyo Stock Exchange plans to open the first financial futures market in that country.

While much has been said about the London futures exchange being the "third leg" in the 24-hour London-Chicago-Singapore futures market, Mr. Jenkins said many of his members are wary about participating, "because it would expose them to regulation by foreign authorities."

Regulation is the biggest barrier to more rapid growth of the London financial futures market. It is a major reason why London's brokers and bankers have been reluctant to encourage public participation in the futures market.

But while many brokers, especially the growing number of U.S. houses here, would like to attract more individual speculators, they fear that this could lead to regulatory restrictions. As one floor broker on the London exchange, who asked not to be named, noted:

"In a clubby atmosphere, members caught out doing some hanky-panky can be brought to account quietly. But if the public is involved and there is a problem, it could provoke demands for stringent government regulation of our markets."

He conceded that without more of the speculative element to increase the market's liquidity, growth will be painfully slow. Unlike their U.S. counterparts, the London futures markets have traditionally been dominated by brokers and trade hedgers, with relatively few public speculators, the very element that supported the development of Chicago's financial and stock index futures and options markets.

Dollar Sets New Records

Mark, Pound Hit New Lows

Reuters

LONDON — Dollar fever continued to grip world currency markets Monday, pushing the British pound below \$1.25 and forcing the Deutsche mark and other leading currencies to new lows.

Dealers in leading European financial centers were unable to offer any logical reason for the latest bout of dollar buying. "Everybody just wants dollars," a leading London dealer said.

The West German Bundesbank spent another \$50 million to meet demand. The dollar closed at 3.077 in Frankfurt, the highest since Feb. 9, 1973, when it was set at 3.15 DM shortly before the introduction of free floating exchange rates. The dollar had closed at 3.026 DM Friday.

A senior Swiss bank dealer in Zurich said: "The question is now to spot the time when it's going to turn around."

According to an influential Wall Street economist, Henry Kaufman of stockbrokers Salomon Brothers, they will have to wait a while.

In an interview in Monday's Paris financial daily, Les Echos, he said that the dollar was unlikely to fall decisively before the second half of 1985.

In Tokyo, where trading ended before it begins in Europe, the dollar rose to 246.31 Japanese yen, compared with Friday's late rate of 245.27 yen.

The dollar quickly got into its stride in European trading, touching 3.06 DM in nervous early Frankfurt trading and forcing the pound down below \$1.25 by early afternoon in London.

That left the pound at a record low of 77.3 percent of its 1975 value on a trade-weighted basis. It closed down further at \$1.2425, against \$1.2655 Friday.

In Zurich, the dollar closed at a seven-year high of 2.5773 Swiss francs, against 2.504 Friday. In Milan, the dollar reached a new all-time high of 4.885 Italian lire, against 4.866 Friday's close.

In Paris, the dollar closed at a record high of 9.3835 French francs, against 9.291 Friday. But the authorities left the franc rate against the Deutsche mark to 3.0651 francs, its highest for over six months.

In New York, the dollar opened higher, moving above the 3.07 DM level in early trading.

German Confidence

The dollar will remain strong in the coming months, but longer term prospects of a mark recovery should prevent large capital outflows from West Germany, the chairman of Commerzbank AG, Walter Seipp, said Monday. Reuters reported from Frankfurt.

He said that despite the dollar's surge above 3 DM, the Bundesbank is still in a comfortable position and has no need to raise interest rates. He described the dollar's strength as largely political, based on expectations President Ronald Reagan will be re-elected.

By Axel Krause
International Herald Tribune

PARIS — The French finance minister, Pierre Bérégovoy, apprehensive over the continuing strength of the dollar, said Monday that he plans to warn the Reagan administration in Washington this week that its fiscal and monetary policies could lead to a gradual weakening of the trans-Atlantic alliance.

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These suggestions have been po-

OECD Chief Cites Economic Lesson

Van Lennep Says Forecasts Should Not Guide Policies

By Carl Gewirtz

International Herald Tribune

PARIS — "We've all learned that economic forecasting is necessary, but it cannot and should not be used as a reliable guide for economic policies."

As a statement, this reflects what Emile van Lennep, secretary-general of the Organization for Economic Cooperation and Development, thinks is one of the major economic lessons of the past decade — a view he expressed in a farewell interview Monday.

He added: "In terms of fine tuning — aiming at a particular growth rate within a narrow band — we all know that forecasting never had that degree of precision."

After 15 years as head of the 24-nation body, Mr. Van Lennep retires at the end of this month and will be succeeded by Jean Claude Paye, currently the senior economist at the French ministry of external affairs.

Mr. Van Lennep's comments also crystallize the evolution of the organization under his tenure. From its founding in 1961 to the late 1970s, the OECD was referred to as "the house that Keynes built" because of its emphasis on managing the demand for goods and services through government spending policies — a view expounded by John Maynard Keynes, the British economist.

Nowadays, demand-management is out of favor because of its reputedly inflationary bias, replaced by the supply-side theory which says investment — notably the rise of high corporate profitability — is the key to noninflationary growth.

This shift, focusing on the myriad of domestic conditions (tax policy, government regulations, employee wage and benefit levels) needed to spur investments, has also coincided with a new ethos, particularly within the Reagan administration, downplaying the importance of the multilateral organizations such as the OECD, the General Agreement on Tariffs and Trade and the World Bank.

As a result, many international economists, including current and former members of the OECD secretariat, bitterly characterize the new orthodoxy — which they see as a move away from the multilateralism of the post-World War 2 generation — as the Invisible Hand: the less government is involved (lower taxes, less regulation) the greater the likelihood of a business-led domestic recovery and eventually, an international expansion.

These experts question whether this theory will work. "You can do things together that you can't do separately," insisted one economist who asked not to be identified. "Sometimes you have got to add up what the world adds up to — collectively overriding things, or not doing enough."

The OECD's two former chief economists — Sylvia Ostry, who returned to Canada to become deputy minister in the Department of External Affairs, and Stephen Morris, who resigned as adviser to Mr. Van Lennep to join a Washington-based "think-tank" — both argue, for example, that the current world picture does not add up but rather is self-canceling.

They maintain that the explanation for the lopsidedly strong expansion now under way in North America and weak recovery in Europe can be



Emile van Lennep

traced to the fact that the impact of Washington's expansionary fiscal policies (tax cuts coupled with huge federal budget deficits) have been counterbalanced by restrictive policies in Europe.

For his part, Mr. Van Lennep said he "certainly rejects the view that if only countries, entirely in an isolated way, would work on their own health the automatic outcome would be a healthy economy."

"We have seen," he added, "how one can differently interpret 'healthy' — in terms of employment, inflation, protectionism, intervention in the markets. The great help we have been able to give is to have a common interpretation of economic flexibility." This interpretation centers on the need for flexibility in markets, a reduction in the share of the public sector and budgetary discipline.

"This is not a return to 19th-century liberalism," he said. "It requires quite sophisticated thinking to understand."

"It was far easier to do what we did in the 1960s, just to sit together and only talk about economic growth and stimulate demand and make a forecast and see, if the forecast shows demand is going down, to decide to stimulate a little bit."

He added: "The world has changed and we have realized that's not a way to act. Our cooperation in the 1960s has completely failed to see that under the surface things were developing which, in the 1970s, we clearly paid for — inflation, distortions in the economy, interventions in the economy, the social legislation that has been developed."

Mr. Van Lennep, who expects to remain involved in international affairs in an advisory capacity to private industry, said his successor's main task will be to "very closely follow the way in which the economic recovery develops in the United States and Europe." He stressed the role Mr. Paye could play in helping to roll back trade protectionism.

But the critical advice Mr. Van Lennep can offer Mr. Paye was no doubt the secretary-general's response to a question about his job description. The reply, in part: "Keep the confidence of member governments."

U.S. Trade Gap For 2d Quarter Is \$24.4 Billion

By Jane Seaberry

Washington Post Service

WASHINGTON — The U.S. trade deficit jumped to a record \$24.4 billion in the second quarter, as the current-account deficit for the first half of the year exceeded that for all of 1983, the Commerce Department reported Monday.

The shortfall in trade of merchandise, services and some financial transactions during the second quarter exceeded that for the first quarter, which was revised up from \$19.41 billion to \$19.67 billion, Commerce said. The trade balance last year was \$41.56 billion.

Merchandise trade provided the drag on the current-account deficit, rising from a shortfall of \$25.74 billion in the second quarter compared with \$25.86 billion in the first quarter.

However, net receipts for services declined during the second quarter from \$8.3 billion to \$3.4 billion, to provide the biggest change between the quarters.

Commerce Secretary Malcolm Baldrige blamed the second-quarter deterioration in the trade deficit on declines in investment earnings and an increase in Americans traveling abroad.

He said further worsening of the trade picture "is likely in the third quarter as the dollar continues to climb, stimulating foreign travel and depressing reported investment earnings."

"We're projecting a deficit around \$82 billion" for 1984, said Sara Johnson, an economist with Data Resources. "I'd suspect we'd raise that to about \$86 billion" because of the latest figures.

Economists said said the shortfall largely reflects fast growth in the economy which has produced higher incomes and demand for imported goods.

"We're buying products abroad and that means we're not buying them at home and that costs production and jobs," the Data Resources economist said.

To offset the deficit in trade and services, foreign capital has flowed into U.S. assets, which helps pay for the trade deficit. However, the danger, economists warn, is that eventually the United States will become a net debtor rather than a net creditor to the world.

Future workers will have to work more to pay interest and dividends to foreigners rather than use those funds for further investments in the United States.

"If the dollar falls the initial effect is to widen the deficit because import prices rise" then demand for those goods drops and the trade balance could improve, according to the Data Resources economist.

However, many economists now say that the dollar will probably remain strong at least through most of next year because interest rates — which make U.S. assets attractive — are expected to stay high through most of 1985.

However, if the economy cools and the administration and Congress make significant cuts in the budget deficit, interest rates could decline and the value of the dollar could also fall, economists said.

U.S. Posts Rise In Inventories, Decline in Sales

The Associated Press

WASHINGTON — Inventories held by U.S. businesses increased 0.8 percent in July to \$551.3 billion, the U.S. Commerce Department reported Monday, marking the 13th consecutive monthly increase in that economic category.

The July increase was an improvement over a 0.2-percent June rise and close to the 0.9-percent increase recorded in May.

[Separately, the Federal Reserve Board said U.S. factories, mines and utilities operated at 82.6 percent of capacity in August, the same as the revised July rate. The operating rate was 82.1 percent in June and 81.5 percent in May, Reuters reported.]

Sales decreased 0.8 percent in July, declining to \$411 billion for the month. This marked the first decline in five months with retailers accounting for most of the fall.

Devoe-Holbein International N.V.
Bid \$8% Ask \$9%
Prices in U.S. dollars.
Quote as of September 17, 1984

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GM, UAW Adjourn Talks as Strikes Continue

United Press International

DETROIT — General Motors Corp. and the United Auto Workers union broke off a 20-hour negotiating session Monday without an agreement on the key issue of job security as strikes by 58,700 union members at 12 GM plants continued.

The negotiations over a new labor contract were recessed until Tuesday.

The UAW authorized strikes on local issues at 13 GM plants for bargainers for the two sides failed to reach an agreement by midnight Friday, when the previous contract expired.

Workers at the selected plants went out on strike on Friday but only the Flint, Michigan, plant, with 13,000 workers, had been scheduled to operate during the weekend.

The union Sunday night announced Local 645 at GM's Van Nuys, California, plant had reached agreement on a local contract covering about 4,000 workers, and that the strike there would end.

Sources said the two talks were deadlocked over job security, the union's top priority. GM refused to make an economic offer during the 20-hour bargaining session, insisting that the job security portion of

the contract be resolved before wages and benefits were discussed. Analysts estimate the walkouts will cost GM \$125 million a week, or about \$18 million a day.

Members of UAW Local 160 picketed at 20 gates at GM's technical center in the Detroit suburb of Warren, Michigan. A union spokesman said he hoped it would not be a long strike "but the question of job security is going to be a tough one."

J.M. Comiskey, spokesman for the 8,700 members of Local 594 at Pontiac, Michigan, said his members were picketing although "they don't really want a strike. But they

want restored what was taken away from them," he said.

The contract that just expired contained \$3 billion in concessions made by UAW members to GM in 1982.

The remainder of GM's 350,000 hourly workers were to continue working, but wildcat walkouts were expected.

"After almost 20 hours of continuous bargaining, we have been unable to reach a tentative agreement with General Motors," the UAW president, Owen Bieber, and vice president, Donald Ephlin, said in a statement Monday.

The deficit is projected at 33 billion francs (\$3.52 billion) this year after a deficit of 49 billion francs in 1983.

"We are heavily dependent on imported energy, and hence this concern," the minister said.

He added that he was equally, if not more, preoccupied by the inflationary impact of a stronger dollar on West Germany, France's largest trading partner.

He said "we are continuing to defend the mark," and that the French government was hopeful that no new tensions were created within the European Monetary System.

During a meeting of European Community finance ministers over the weekend in Ireland, Britain and Germany opposed France's demand for an immediate increase in international liquidity through a

(Continued on Page 17, Col. 5)

Bérégovoy Sees Threat in Dollar

By Axel Krause

International Herald Tribune

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Pierre Bérégovoy

nating France's chronic trade deficit next year.

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(Continued on Page 17, Col. 5)

Currency Rates

Official foreign exchange rates for Sept. 17, excluding fees.

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Official foreign exchange rates

AMEX Most Active					
	Vol.	High	Low	Last	Ch
Sundinc	4378	9 1/2	9 1/4	9 1/4	+
Chive	3723	1 1/2	1 1/4	1 1/4	+
Worl	1622	28 1/2	27 1/2	28	+
CrescO	1426	3 1/2	3 1/4	3 1/4	+
Damp	1488	2 1/2	2 1/4	2 1/4	+
newst	1299	6 1/2	6	6 1/2	+
DeWitt	1561	23	22	23	+
Damson	937	7	6 1/4	6 1/4	+
McGon	776	7 1/2	7	7 1/2	+
WInPort	773	20	21 1/2	20	+
Amoldi	698	13 1/2	12 1/2	13 1/2	+
TIE	681	13 1/2	12 1/2	12	+

AMEX Stock Index			
High	Previous Low	Close	TSP
216.96	214.13	216.38	216.38

Monday's
NYSE
Closing

AMEX Stock Index			
High	Previous Low	Close	Total P
216.96	214.13	216.38	216.38

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SMALL BUSINESS AND HOME COMPUTERS

A SPECIAL REPORT

TUESDAY, SEPTEMBER 18, 1984

Page 13

MICROCOMPUTERS* IN WESTERN EUROPEAN BUSINESS/PROFESSIONAL SECTOR
PROJECTED UNIT SHIPMENT GROWTH BY COUNTRY, 1983-1989

	1983	1984	1985	1986	1987	1988	1989
United Kingdom	152,220	229,040	304,305	426,100	615,068	859,479	1,138,369
West Germany	111,550	162,394	228,783	320,271	459,863	655,232	910,430
France	77,550	121,073	180,329	286,283	439,558	639,947	891,900
Italy	50,940	86,529	126,191	189,819	283,241	409,708	570,138
Spain	15,780	35,695	73,691	131,740	215,266	338,362	508,731
Sweden	23,970	39,996	60,041	87,551	129,737	192,219	277,339
Netherlands	18,520	32,086	52,447	80,459	120,044	174,479	245,533
Norway	8,850	14,680	23,387	37,271	59,143	91,308	135,599
Switzerland	10,840	18,291	27,309	40,532	60,508	89,538	128,135
Denmark	11,360	18,016	24,926	38,561	59,014	87,356	127,123
Belgium	10,880	17,289	25,185	37,450	54,762	78,105	109,249
Austria	8,150	13,635	19,189	27,156	38,928	56,481	80,961
Finland	11,210	18,780	22,527	29,830	41,508	58,515	80,777
Ireland	4,090	8,152	13,915	22,641	36,077	53,353	74,272
TOTAL	516,270	815,656	1,182,225	1,887,404	2,612,717	3,784,082	5,278,558

* Includes 8-bit and 16-bit personal computers as well as small multitask systems supporting up to four users.
Source: International Data Corporation, France.

Winners, Losers:
Vying for Power in
Volatile Business

By Stephen T. McClellan

NEW YORK — This decade is witnessing the beginning of a startling change in the computer industry. The structure of the industry — a structure that prevailed largely without change in the 1960s and 1970s — is coming undone. The forces causing this transformation, this fragmentation, are technological, economical and societal.

The shakeout has begun — and it will be a permanent condition. One of the most important elements behind the upheaval is the microcomputer revolution.

Microcomputers, personal computers, small-business and desktop computers are becoming a powerful force in the industry that could eventually outstrip mainframes and minicomputers in terms of installed base. The current wave is resulting in a new breed of companies, new management styles and unique corporate cultures. Inherent also in the microcomputer revolution is a technological shift — too many products, too much advertising, too many magazines, too much promotion.

More than 8 million personal computers were shipped in 1983, with almost 150 companies involved. The top four — IBM, Apple, Tandy and Commodore — held 56 percent of the market.

There were 2,000 retail stores in the United States distributing microcomputer products, and almost as many in Europe. The market for all computers priced at less than \$10,000 was worth \$8 billion last year. It should expand by perhaps 40 percent in each of the next few years. Three-quarters of this business is office computers.

In the office, less than 20 percent of all white-collar workers now use a computer. By 1990, the figure is expected to reach 50 percent.

Corporations listed on the Fortune 1000 list are rapidly spreading personal computers throughout their offices. Such a computer in the office at first was a status symbol, a showpiece. Now it is becoming as mundane a tool as the telephone.

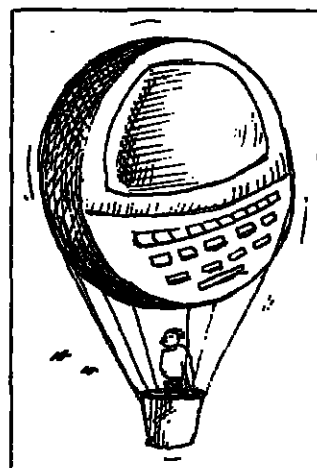
There is no doubt that the personal computer business is in the prime of life. It is growing by leaps and bounds. There are success stories such as Compaq, which went from zero sales in 1982 to \$111 million in 1983 and more than \$250 million in 1984, a record in business history. At the November 1983 Comdex show in Las Vegas there were 5,000 company booths.

Such a glut could spell destruction for the whole market.

It is this jarring contrast of seemingly unlimited market potential and the harsh, limiting realities of the industry that give the personal computer business its reckless character. Many companies have appeared on the scene, gone public and made millions for their founders. But that is history. The future leads to bankruptcy or, if they are lucky, possibly an acquisition by a larger company.

The list of failures or troubled divisions includes Osborne, Franklin Computer, Computer Devices, Victor Technologies and Texas Instruments. Others in the red are Vector Graphic, Interdata Systems, Atari, Matel, Coleco and Tandy. The list of companies recently announcing layoffs is lengthy. Among them are Concor Computer, Corvus Systems, Diablo Systems, Eagle Computer, Gavilan Computer, Kaypro, Software Arts, Vector Graphic, Visicorp, Peachtree Software and Franklin Computer. Price-cutting was rampant during the summer: First IBM with its PC XT and PCjr; then the plug-compatible competitors following.

Such Compaq Computer, Columbia Data Products, Corona Data Systems, Eagle Computer, ITT Information Systems, Leading Edge and Zenith Data Systems.



The home market, while heavy in unit sales, does not account for more than 25 percent of the total revenue generated. The education market is for low-end, low-margin products. The office market will be the promised land for personal computers, but after IBM, the remaining rewards may be thin. And what is left after Apple in the low-end \$1,000-priced sector? It is hardly surprising that a shakeout is ensuing. And the resources that AT&T and eventually, the Japanese will bring to bear will only make it worse.

Initial demand, especially in the home market, is waning. Price-cutting is leading to turmoil, confusing the buyer, resulting in a wait-and-see attitude. There are too many new products. Profits are being squeezed.

IBM PCs will comprise about 7 percent of revenues, or \$4 billion in sales during 1984. Microcomputers will account for more than 10 percent of the company's business in 1985.

To latch on to the personal computer boom, IBM did not do anything spectacular; it just did everything right. The company realized that the market was not looking for a unique machine. The more humdrum, in fact, the better. The IBM PC is unspectacular and matter-of-fact. IBM barely even makes the machine. But suddenly, after playing no role whatsoever in its creation, IBM is at the center of the personal computer business. The question is no longer whether IBM will dominate; the question is how much room will be left for everyone else. IBM's brilliant performance in personal computers is only a prelude to things to come.

— Stephen T. McClellan, chief computer analyst for Solomon Brothers, is the author of "The Coming Computer Industry Shakeout: Winners, Losers & Survivors," published by John Wiley & Sons Inc.

European Industry Is Beginning to Meet the Home Demand

By Amiel Kornel

PARIS — After more than a decade of doubt, Europe is gaining faith in the microcomputer. European computer makers, only recently converted to the gospel of "small is beautiful," are awakening to the growing professional and consumer demand for table-top business and home computers.

"There are still many people who are allergic to micros," said Thi T. Truong, president of Total Telematic Technology, a microcomputer consultancy in Paris. "But they will have to get used to them. 1984 is the year of the explosion."

Europe and microcomputers have come a long way. In the early 1970s, when all computers were big and expensive and reserved for a select priesthood that alone was capable of mastering the machines' arcane operation, a few voices could be heard across the Continent heralding the dawn of the microcomputer age. They were greeted with skepticism and derision.

"I was called a charlatan," said Bruno Lussato, who, in 1973, was

perhaps the first person to write about the potential social and economic benefits of small, easy-to-use computers.

"Lussato was a visionary," Mr. Truong said, "but he was preaching in the desert." Mr. Truong should know. He was scorched by the same indifference that met Mr. Lussato, a professor of information systems at the Conservatoire National des Arts et Metiers in Paris. In 1973, Mr. Truong announced in France the production of the world's first commercially available microcomputer, Micral. He and Mr. Lussato were among a handful of people in Europe and the United States who saw that computing could be decentralized, simplified and made less expensive with the microprocessing chips pioneered by Intel in 1971.

But Europe turned a blind eye to his invention and it was only 10 years later, after U.S. and Japanese companies had captured the market, that the Continent began to have second thoughts about the product's promise.

"Old Europe began to believe in

microcomputers in 1984," Mr. Truong, 48, said in a recent interview. "In 1973 people didn't believe. We were accused of being bricoleurs [tinkerers]."

European skepticism has diminished with the increasingly rapid growth in demand for microcomputers. Most of the three million microcomputers in Europe were installed during the last 12 months. A study completed in July by Butler Cox and Partners, a British-based management consultancy, found that 50 to 80 percent of medium to large European organizations now have some sort of policy concerning the use of microcomputers.

According to a study completed in August by IDC-Europe, the London-based subsidiary of International Data Corp. of the United States, just over 516,000 professional microcomputers, valued at about \$2 billion, had been sold by businesses in Western Europe by the end of 1983. About 1.8 million such machines had been installed in the United States by then.

IDC predicts that by 1989 the European professional market will

have grown to 10 times the 1983 level, to almost 5.3 million machines worth about \$16 billion.

Home computers had reached 2.5 million European households by the end of 1983; 10 million machines, four times the European level, had been installed in the United States. IDC expects the European figure to rise to about 4.5 million by 1989.

The meager level of home computing in Europe becomes particularly apparent when Britain's two-thirds share of the market is separated out.

Britain also leads the pack for business microcomputers, accounting for 29.5 percent of the units sold in Europe in 1983. West Germany follows with a 21.6-percent share of the market, and France and Italy have installed 15 and 9.9 percent respectively of the European professional microcomputer base.

U.S. computer makers have established an unequivocal supremacy over the European professional microcomputer marketplace, potentially the most lucrative segment

of the market. Computers by U.S. companies such as Commodore, Apple, International Business Machines and Tandy are finding their way into European businesses.

Many European computer companies have, nonetheless, succeeded in holding on to significant shares of their own domestic markets. Italy's Olivetti, Britain's Applied Computer Techniques, Sweden's L. M. Ericsson, and Bull-Micral and S. M. T.-Goupil in France each commands 10 percent or more of the professional markets in their own countries. Among home computer makers, France's Thomson and Britain's Acorn and Oric have defended themselves well on local turf.

In terms of the pan-European market, few companies have had much success outside their country's borders. In business computers, only Olivetti and Applied Computer Techniques have captured a significant market share both at home and abroad. Britain's Sinclair Research has had major success throughout Europe in the home computer market.

But, spurred on by estimates that microcomputers will account for half of all computer sales by 1990, manufacturers are determined to become more aggressive at home and abroad.

"We are conscious that for this market one needs to be European (in outlook)," said Yves Durier, head of marketing for Thomson's home microcomputer subsidiary, "Thomson wants to have a European strategy."

"One must not consider microcomputers as a minor part of computing," said Georges Seban, president of Bull-Micral, the microcomputer subsidiary of France's giant computer manufacturer. Microcomputers have become a "major axis of development" for Bull in the last year, he added. Bull's microcomputer is a direct descendant of Mr. Truong's earlier machine.

A nagging question remains: Why, given the machines' early development here, have European computer manufacturers been slow

(Continued on Next Page)



puServe users, like CB radio operators, have individual "handles" or nicknames, and follow a form of communication etiquette established by CB Simulator users.

As a rule, CompuServe does not monitor or restrict CB Simulator communications but will deal with abuses or problems brought to the company's attention. "The users of CB Simulators take the service seriously" and are likely to report excessive vulgarity and bad taste, Mr. Baker said.

In addition to nationwide computer networks, other services designed to simplify or enhance a specific facet of a consumer's life

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A Services Industry Blooms to Feed Micro Boom

By John L. Wolfe

WASHINGTON — The microcomputer boom offers the computer aficionado a rapidly growing roster of services. While most consumers acquire a microcomputer for its educational, entertainment and organizational values, more and more users are anxious to explore the developing world of on-line communications services. The result is a mixture of data bases, electronic bulletin boards and networks — many free — that provide both practical and esthetic services.

In order to "talk" on these on-line services, microcomputers need a modem for communicating over telephone lines, and communications software that enables computers to store materials retrieved from a data base. The user must also pay telephone charges. Once equipped, the options for the adventurous computer buff — whether a home or office user — seem limitless. A computer user can connect to services ranging from news, sports and weather to financial management to electronic mail.

Bulletin boards offer services such as free software, matchmaking, or even data for computer hackers seeking to roam restricted computer data bases.

While computer communications services are found worldwide, the greatest number and variety of systems are in the United States. "The computer is basically a U.S. invention," said Richard Adler, a research fellow at the Institute for the Future, a California think tank. "The concepts for time-sharing and data-base networks were all developed here and have just recently been introduced in Europe."

This translates into a higher percentage of U.S. consumers with personal computers and a larger, more affluent market for developers of computer services.

In the United States, 7 percent of the nearly 8 million computer households have communications capabilities, according to the Yankee Group, a Boston research and consulting firm. The Yankee Group estimated that 40 million U.S. households would use person-

al computers by 1990; more than 30 percent of those, the firm says, will be equipped for communications. The percentage of business computers able to communicate is expected to be even greater.

The Source, and CompuServe Information Service, two computer time-sharing services, have captured most of the residential on-line data-base market in the United States. Both companies offer services ranging from banking, brokerage and financial news and research to electronic mail, classified advertising, horoscopes and dating services. CompuServe and the Source attempt to position themselves as information "utilities," and hope to enter the personal-computer buff who uses the machine primarily for entertainment as well as the professional customer using the data base for business.

At the moment, however, most network subscribers are computer enthusiasts using their machines at home, and the large time-sharing services have structured their data bases to reflect this.

On the Source, which has about 60,000 subscribers, the most popular features are those that focus on computer software and peripherals. MicroSearch, a service offering microcomputer hardware and software reviews, is the most popular listing, according to the Source's Nancy Beckman. Also, special-interest user groups, or SIGs, have been designed so subscribers can communicate with other users who have similar interests. For example, the Atari SIG features a bulletin board enabling Atari users to buy and sell equipment and share experiences and options. The Source includes SIGs for most microcomputer models, software programs and accessories. Another popular feature is "teletext," which enables subscribers to "download" or store free computer programs from the Source data base.

Although the software is free, the Source is not. Subscribers pay a \$49.95 sign-up fee, and \$20.75 for each hour spent on-line during the day. Evening and weekend rates are lower.

CompuServe, also a subscription service, claims about 135,000 customers, who pay a sign-up fee of about \$40 and fees of \$12.50 an hour for peak time.

The most innovative — and by far the most popular — service on CompuServe is CB Simulator, an electronic communication network modeled on citizens band radio. CB Simulator is a form of computer conferencing, and has "fostered the growth of a culture all its own," said Richard Baker, CompuServe director of corporate communications.

The service has two bands: each band has 40 channels. Several channels are open, enabling anyone to join the on-line conversation or to "lurk," which is CompuServe slang for watching the conversation without participating. Many other channels are used by groups with common interests. For example, one is primarily for teenagers, another for long-time CB Simulator users (whom Mr. Baker called the "Old Guard"). Others can be used for more private discussions. Com-

Customer Apathy Slows
Production of Portables

By Lynn Haber

NEW YORK — Declining prices, increased product availability and improved marketing strategy may finally resolve the question of demand for lap-size portable computers.

Expected by industry analysts to be the foundation of a lucrative market during the first half of the 1980s, the battery-operated computers never quite commanded the attention of the audience they were aimed at — the traveling executive. With the exception of a Japanese model, the TRS-10 Portable Computer Model 100, distributed by the Radio Shack division of Tandy Corp., few manufacturers sold such machines in any volume.

Demand for portable computers is not expected to be realized until sometime next year when manufacturers make technologically advanced products available in quantity and at reasonable prices, analysts indicated.

"For all the hoopla and trade-show demonstrations, there was actually little portable product availability," said Sandra J. Gant, associate director of InfoCorp, a California-based research and consulting firm. Miss Gant said products announced in 1982 and 1983 did not materialize until much later. "If there's no product, there's no promotion, no consumer response," she said.

The success of Radio Shack's Model 100 has been attributed to a combination of smart marketing and pricing for the limited-capability machine. Jim Nicols, vice president for Tandy International Electronics, reported even better sales of the model overseas than in the United States.

Following the introduction of portability in 1981 by the U.S. industry maverick Adam Osborne — whose company later failed — Teleram Communications Corp. released a full-capability, general-purpose portable called the Teleram 3000. Weighing less than 9 pounds, battery operable and running on Digital Research Inc.'s CP/M 2.2 operating system, the machine boasted capabilities as powerful as that of a desktop computer.

At this juncture, the direction of the portable industry forked. Manufacturers such as Teleram and later Sharp Electronics Corp., Gavilan Computer Corp., Dulmont Electronic Systems, MicroOffice

(Continued on Next Page)

A New Style in Integrated Software Field

By John Markoff

MOUNTAIN VIEW, California — Hidden in a small suite of offices next to a shopping mall at the heart of Silicon Valley in California, Forefront Corp. symbolizes the dramatic changes taking place in the personal computer industry.

Starting with fewer than 10 employees, Forefront has designed one of 1984's two hottest-selling business software programs for personal computers. Forefront's product, called Framework, allows a personal computer user to combine all the most popular business applications for small computers. It includes a word processor, electronic spreadsheet, data base, business graphics and data communications program and runs on the IBM Personal Computer.

Framework's name derives from the fact that different applications and documents are displayed in frames, or "windows," on the screen of the personal computer. Frames can contain text, financial data, data base information or graphics, and they can be laid out top of one another on the screen, much as one would lay dozens of documents on one's desk.

Software programs like Framework are changing the way personal computers are used in the office. Called "integrated applications," they are designed so that one can view text, data and graphics in sep-

arate windows on a computer display screen, then easily combine these elements in finished documents that can quickly be transmitted electronically over telephone lines to another personal computer thousands of miles away.

Framework is characteristic of the new style of integrated software applications available for personal computers. These programs permit users to move much more quickly between different tasks, and, because the new 16-bit personal computers have many times more random access memory than their 8-bit predecessors, the programs run many times faster.

Framework has also included what its designers call an "outline processor" in the package. This permits one to sketch an outline of topics before one begins working on a document. Each topic can be contained in a separate frame that is automatically chained to other topics in the document.

Products like Framework that combine both a user interface and integrated applications are a new phenomenon. Until this year most of the personal computer market excitement and action has been taking place in microcomputer hardware. During the last four years, personal computers have increased in performance as quickly as their cost has fallen. Microprocessor speed, disk storage, screen resolution and memory size

have been the principal selling points in a business marketplace characterized by hundreds of start-up companies, price cutting and a buying public that seems to have an insatiable appetite for more computers.

Young upstarts like Apple Computer have battled giant corporations like International Business Machines for a share of one of the fastest-growing world markets. Now, with the advent of 32-bit microprocessors, only the largest personal computer manufacturers are surviving.

This year the only new personal computer that has attracted widespread interest has been Apple's Macintosh, based on the Motorola 68000 microprocessor. Significantly, the Macintosh has received more attention for its software design than for its hardware improvements. Apple invested almost \$50 million and several years of development time in the Macintosh, which is modeled after the more expensive Xerox Star and Apple Lisa computers.

Computers such as Star and Lisa, and now the Macintosh, are the first personal computers to take advantage of high-resolution graphics for business applications. The previous generation of desktop microcomputers was based on terminal display capable of showing only individual characters, not graphics. Now high-performance

microprocessors like the 68000 have made it possible to combine text, graphics displays and even animation, thus paving the way for increasingly powerful software.

Macintosh, for example, has made possible a variety of new types of software, designed specifically to take advantage of its high-resolution display. Filevision, introduced for the Macintosh by Telos Corp., allows the user to create a database by working with a graphics editor. It is possible to begin by defining a map of the United States on the screen and then link fields of data to each individual state. Later one can automatically create charts by sorting the data in different ways. Filevision automatically highlights selected states.

Another remarkable program for the Macintosh has been developed by Thunderware in Orinda, California. This program, in conjunction with a special optical sensor, turns the Macintosh into a high-resolution digitizer. It makes it possible to scan virtually any document so that it can be displayed on the computer's screen and integrated with other text and graphics documents.

Forefront has not released a version of Framework for the Macintosh, but one of its fiercest competitors, Lotus Corp. of Boston, plans to introduce soon a Macintosh version of its integrated program, Symphony, which is already available for the IBM PC.



Symphony, which is already available for the IBM PC.

To aid in its marketing battle with Lotus, Forefront has enlisted the aid of another major software company, Ashton-Tate, which has undertaken the task of marketing Framework. Recently, Ashton-Tate and Lotus have been fighting it out with expensive network television commercials, a sure sign that integrated business software is becoming a major factor in the personal computer market.

Framework and Symphony have slightly different audiences. Ester Dyson, a personal computer industry analyst, has been quoted as saying that Symphony is more for "number crunchers" while Framework, with its outline capability, is aimed principally at "word-

crunchers." As a result, special features may enable both programs to be well received in the face of stiff competition.

Simply introducing an integrated software package is not an automatic guarantee of success. There are dozens of these available for the IBM PC and other personal computers and only a few, possibly Framework and Symphony, seem assured of lasting standing.

Not following the trend toward integration can be equally dangerous. MicroPro, the San Rafael, California-based publisher of the popular WordStar word-processing program that runs on most personal computers, has found that failure to introduce integrated software has meant losing market share.

A SPECIAL REPORT ON COMPUTERS

Customers Resisting Electronic Distribution of Computer Software Programs

By Larry Kahaner

WASHINGTON — Despite the shakeout in the software industry, thousands of computer programs are still fighting for space on retailers' shelves. And the battles will continue despite new ways to distribute software that could make large inventories unnecessary.

Electronic distribution of computer programs is technically possible now, but its growth is being thwarted by consumer resistance and by retailers who feel threatened by a system that could eventually bypass them.

In one method, a customer decides which programs he wants, and the store clerk inserts a blank disk or cartridge into a machine. He calls a main distribution number and the program is sent over the telephone line and loaded onto the disk or cartridge. The customer can return the disk or cartridge and

have it reloaded when an updated version of the program becomes available.

The possible problem of unauthorized use of a program is often handled by encrypted software that can be unscrambled only by sophisticated decoders installed between the phone line and the computer.

Taking the next logical step, some systems send programs directly to customers. The main advantage of direct-to-user software transmission is that potential customers can test a short version of a program at home before buying it. If they like the program, they can buy the whole thing. Such trial programs can only be used once, then are designed to disappear.

Only a few companies, perhaps half a dozen or so, have tried one or the other system; even fewer have survived. Distributors did not

count on the marketing fallout of such unconventional delivery systems. For one thing, all programs receive equal treatment in the potential buyer's eye — because they are chosen for a computer screen — and that does not sit well with large software houses that have fought for and won prime shelf space. These companies balk at signing electronic distribution agreements that would strengthen competition.

Further, the software-buying public has become used to seeing bright, colorful boxes and displays in retail stores, and the software makers are learning how to sell their wares like other consumer products. Those who have been successful at packaging and promotion do not want to give an edge to a slower-running competitor.

In addition, if a software publisher chooses direct-to-user distribution, he faces retaliation against

his products by retailers who see the plan as taking away their business.

The crucial drawback, however, is the problem of supplying documentation. Most computer programs require lengthy manuals in order to be useful. The only way to distribute these directly along with the program is to use a printer, a rather time-consuming and expensive proposition. To overcome that hurdle, PC Telemart, a company in McLean, Virginia, plans to deliver documentation using overnight package delivery services. The company retains retailers in the selling sequence and splits profits with them. So far, however, PC Telemart's system of terminal kiosks in retail stores has been a flop, mainly because consumers continue to choose colorful packaging over a computer display.

Still, there is optimism that electronic software delivery will eventually succeed. "Electronic distribution will happen; it's just too early," said Gary Arlen, president of Arlen Communications Inc., a consultancy firm in Bethesda, Maryland. "There's no clear definition yet as to what will make it acceptable."

For the most part, forays into electronic distribution have focused on sending games to home computers. Because people get tired of playing the same games, especially after they have mastered one, frequent over-the-phone distribution makes sense.

Control Video Corp. of Vienna, Virginia, hopes to capitalize on the more than 12 million Atari home computer owners by offering them a flurry of games retrievable over phone lines. A Control Video Gameline customer buys a master module for \$39.95. It contains a modem, two memory devices and an automatic telephone dialer. For

a one-time fee of \$15, the subscriber receives a master file of video game instruction and a year's subscription to a magazine containing a list of games available and instructions for games introduced each month. Multiple game sessions cost about \$1, or 10 to 15 cents a play.

William von Meister, president of Control Video, sees the games as a foot in the door of home delivery for all types of computer software. "What we learn distributing games will help us to distribute other forms of software," he said.

Distribution is not limited to phone lines. Atari and Activision Inc. plan a joint venture to transmit video games to households using radio subcarriers, the unused portion of a radio channel now employed by background music services such as Muzak.

The service, planned to begin later this year, will broadcast games to

owners of the Atari 2600 player. It is hoped that the system will be expanded to distribution of other computer software, especially educational programs.

Another venture, the Games Network in Los Angeles, recently completed testing of software transmission over cable TV systems. For about \$16 a month, subscribers in Orange County, California, are offered a selection of 20 games, with at least five new ones each month.

The success of remote distribution of computer programs hinges on marketing and price, rather than technology. PlayCable, a joint venture of Mattel Inc. and General Instrument Corp. formed in 1980, recently closed shop mainly because of the glut of video games and the public's unexpected drop of interest in playing games. The Games Network and others hope to revive that interest with a frequent,

fresh supply of challenging games at low prices.

Right now, software retailers are safe from competition from direct-to-user electronic distribution. They dismiss the greatest plus of electronic distribution — a chance to test-run a program under actual conditions before buying it — as not critical. "I can give a test to any customer who walks through the door," said John Walker, owner of a computer program store in Washington. "Besides, they know they can come to me with problems."

Bill Engleman, manager of the Software Shoppe in New York, believes that consumers are still wedded to old buying habits. "They want to pay for something and walk out with it," he said. "They want to see it and hold it. Until that changes, and I guess one day it will — most software makers won't see a market for electronically distributed software."

Richness and Depth Characterize New Generation of Computer Games

By Scott Mace

MENLO PARK, California — The success of a handful of computer games points the way to the future of high-tech entertainment. These games run not on the multi-million-dollar game machines of the early 1980s but on home computers such as the Commodore 64 and Sinclair Spectrum, as well as on office computers such as the IBM Personal Computer. And they have a richness and depth heretofore unseen on TV screens. The longer a given personal computer is on the market, the more tricks programmers of games learn to produce sought-after features such as better graphics, play action and unpredictability.

Leading the way is Flight Simulator, developed by Bruce Artwick's Sublogic Corp. of Champaign, Illinois. Mr. Artwick's program holds both the No. 1 and No. 2 sales positions on Billboard magazine's Computer Software Top 20 for entertainment programs. Sublogic sells one version of the program for Apple, Atari and Commodore computers, and Microsoft Corp. of Bellevue, Washington, sells versions for the IBM PC and PCjr, containing more detailed graphics and sophistication than Sublogic's versions.

Mr. Artwick said Flight Simulator's success was due to public interest in flying, although most players of the game have never taken

flying lessons. In the game, the computer re-creates the cockpit of a small airplane, complete with banks of instruments comparable to the real thing, and a view of real airports and landmarks such as the Empire State Building. The game is a "real-time" simulation of a flight across the United States, with possible landings at hundreds of airports. The player has to pay attention to the controls at all times, or risk crashing the plane.

Mr. Artwick said some people who bought the game later took flying lessons and got pilots' licenses. For them, and for experienced pilots brushing up on their skills, Flight Simulator is as much a training tool as it is a game.

The new games also have longer play value than earlier games. Mr. Artwick said players of Flight Simulator could start by doing simple flying stunts, then progress to harder tasks and even a simulated aerial dogfight. Getting tired of the game "could take a period of a few months, if you were playing continuously," Mr. Artwick said.

Although the best-selling computer games cut across most demographic barriers, Flight Simulator is particularly popular with adults, especially those who had not previously been interested in computer games.

Another leading game appeals more to the youth market that traditionally has driven video game

sales. The Julius Erving and Larry Bird Go One-on-One game lets players act out the fantasy of being a pro basketball superstar, according to Trip Hawkins, president of Electronic Arts of San Mateo, California, which produces the game for Apple, Atari and Commodore 64 computers. IBM PC and PCjr versions of the game are soon to be available.

One-on-One is not the first hit sports computer game. Commodore's International Football game (known in the United States as International Soccer) has sold well in the last 12 months. But Electronic Arts has added a new touch of realism to One-on-One. "By limiting the number of characters on the screen to two, we could really amp up the quality of the animation," Mr. Hawkins said. The company also tried to program the simulated players with the talents of the real basketball stars involved.

Another popular sports game in the United States is Summer Games, from Epyx of Sunnyvale, California. As computer games mature, their themes have become more important, and the theme of multiple sports in one package was a natural for the Olympics year. Like Flight Simulator, Summer Games has several imitators, and the Epyx game is itself inspired by a coin-operated game from Japan called Track and Field.

Prices of the top-selling comput-

er games remain relatively high. One-on-One costs \$40 in most stores, and Flight Simulator usually goes for \$50. Prices are not so high in Britain, according to Deirdre Boyd, editor of TV Gamer magazine in London. "Games that sell in America for about \$30 sell here for about £10," she said.

In Britain, a sports game is the

top seller at Virgin Games, a large chain of stores selling computer software. Match Point, produced by Sinclair for its Spectrum computer, is a simulation of a tennis match at Wimbledon.

Some British games rely on sheer value for money. Virgin's No. 2 seller, Lords of Midnight for the Spectrum, reportedly has 32,000

New Data-Base Systems Speeding Up Information Access

By Sarah Glazer

BOSTON — One of the earliest promises of computers was instant access to information. By simply feeding enough facts into the machines' electronic memories, we expected them to supply us with answers to the most obscure questions. But the first attempts to organize data bases were clumsy and difficult to use.

The situation improved, however, and the latest data-organizing tools, known as relational database management systems, are powerful software packages that can make large bodies of information easily accessible.

Now available on personal computers, they enable small businesses to track inventory, process orders, keep detailed customer files and automate other business func-

tions in ways that only bigger companies could afford in the past.

Organized somewhat like a library's card catalog, relational data-base managers let a user choose facts to pull out every record and list in separate indexes. To find information, one then has to ask the computer to search only the relevant index, not the entire data base.

For instance, a physician who keeps an index of patients' ages could have the computer print a list of patients over 65 in order to send notices recommending influenza inoculations. Some data-base management systems will even print mailing labels.

"Our research says that data-base management systems are one of the top five most popular computer applications," said a software analyst, Ann Morley of International Data Corp., a research com-

pany in Framingham, Massachusetts. She divides the products that run on personal computers into two categories: powerful packages that have true relational data-management capabilities and simpler versions known as file managers.

"People who want to do just a little data management, like senior administrators in a large or small company or people operating a business out of their home, may need no more than a simple file manager," Miss Morley said. "But if you're going to do heavy-duty data-base functions with inventory, customer lists and some accounting applications, you'll need something more sophisticated."

The best-selling file manager in the United States — also available in Europe since 1980 — is PFS:File from Software Publishing Corp. of Mountain View, California. The

company's vice president and general manager, Janell Bedke, derided the aim of PFS:File as "handling individual needs as opposed to automating an entire company." Typical customers are physicians and salespeople or owners of small stores, she said.

Data-base packages span languages and cultures more easily than many packages do. Language is confined to menus and on-screen prompts, and programs do not deal with business practices, which often change from country to country. The user manuals for PFS:File have been translated into French, Swedish and Japanese, but the programs themselves are only just being translated now.

"PFS:File has always been noted

for its simplicity," Miss Bedke said. She attributed some of its international success to the small number of features that users must learn. But, she said, "to be really successful in Europe, you need a fully translated product."

Ashton-Tate of Culver City, California, has programs available in nine languages, including German, French and Japanese, for dBase-II, which the company claims is the best-selling relational data-base manager in the world. IDC's Miss Morley confirmed that Ashton-Tate dominated the high-end market segment for personal computer data-base managers, and she estimated that 14 percent of the company's revenue came from sales outside the United States.

Customer Apathy Slows Production of Portables

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Systems Technology Inc. and Hewlett-Packard produced full-capacity portables.

Limited-capability machines were being made by Epson America Inc., NEC Information Systems Inc. and Radio Shack. Characteristics commonly found in limited-capacity portables include a single operating system, screens of less than the usual 80 characters, limited software capabilities and, if any removable storage at all, a micro-cassette tape drive. These devices generally sell for less than \$1,000.

Prices for full-capacity, general-purpose portables usually begin at \$1,500. These devices offer features that commonly include full 80-character screens, broad software capabilities and removable storage.

Some industry analysts contend that the lack of activity in the laptop computer industry goes beyond limited supply and poor product development and delivery, to misdirected marketing. "Manufacturers and resellers have basically been selling the wrong end of the stick," said Gene R. Talsky, president of Professional Market Management Inc., a Connecticut-based consulting firm. "The public doesn't perceive these devices to be full-capacity machines."

Despite a sluggish public response to the portable computer, technological improvements in portable computer design have been consistent. In 1983, Gavilan Computer Corp. introduced the first device to offer a touch screen and built-in three-and-a-half-inch floppy-disk drive. Lack of removable storage had previously limited the capability of portables.

Further, software developers shied away from early laptop models that used tape cassettes instead of floppy diskettes, as cassette storage is more limited. Tape cassettes also store data and programs sequentially, as opposed to a direct-access method.

Selling the business executive the idea that using a computer can be beneficial has been a problem in general. Many executives over 40 years old did not use a terminal or computer in college, are not comfortable with the image of "typing" and simply have not been convinced that computers can be easy to use.

Manufacturers in Europe Begin to Meet Home Demand

(Continued From Previous Page)

to produce and market microcomputers?

One of the most common answers cited by observers is lack of money.

"Look at what happens to companies that innovate in France," said Francois Baeza, sales manager at S. M. T.-Comptel. "All these companies are slowed or stopped by problems of financing."

Observers add that credits were scarce in the past because many of the major computer manufacturers were less than enthusiastic about the development of a high-volume, low-cost market that could bite into the sales of their existing product lines.

But most importantly, analysts say, the new products lacked credibility. "I believe that there was an initial feeling in both the user and supplier communities that these were just toys, not to be taken too seriously," said Charles Chang, consultant at Butler Cox in London.

Although obstacles remain, the recent rapid expansion of the market and the arrival of aggressive U.S. and Japanese companies have lighted a fire under European computer makers.

IBM's Personal Computer, available in Europe only since the beginning of 1983, lent an important impetus to the growth of the European professional microcomputer market, many analysts say.

"IBM's arrival gave credibility to microcomputers," Mr. Truong said.

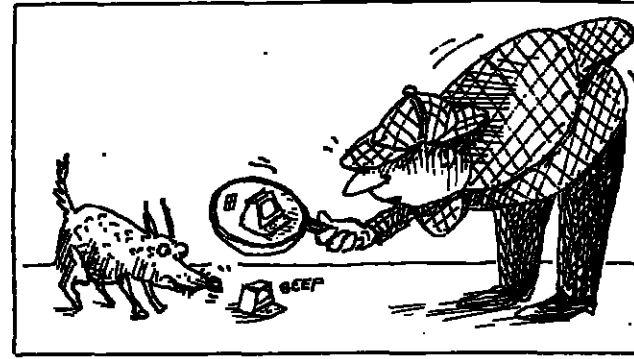
And the British success of home computing has whet the appetite of corporate and government officials throughout Europe.

But analysts warn that stimulating demand for home computing elsewhere may not be easy. "We don't see similar growth curves for other countries," said Wilfrid Hiss at IDC. "Entertainment is very prone to faddishness."

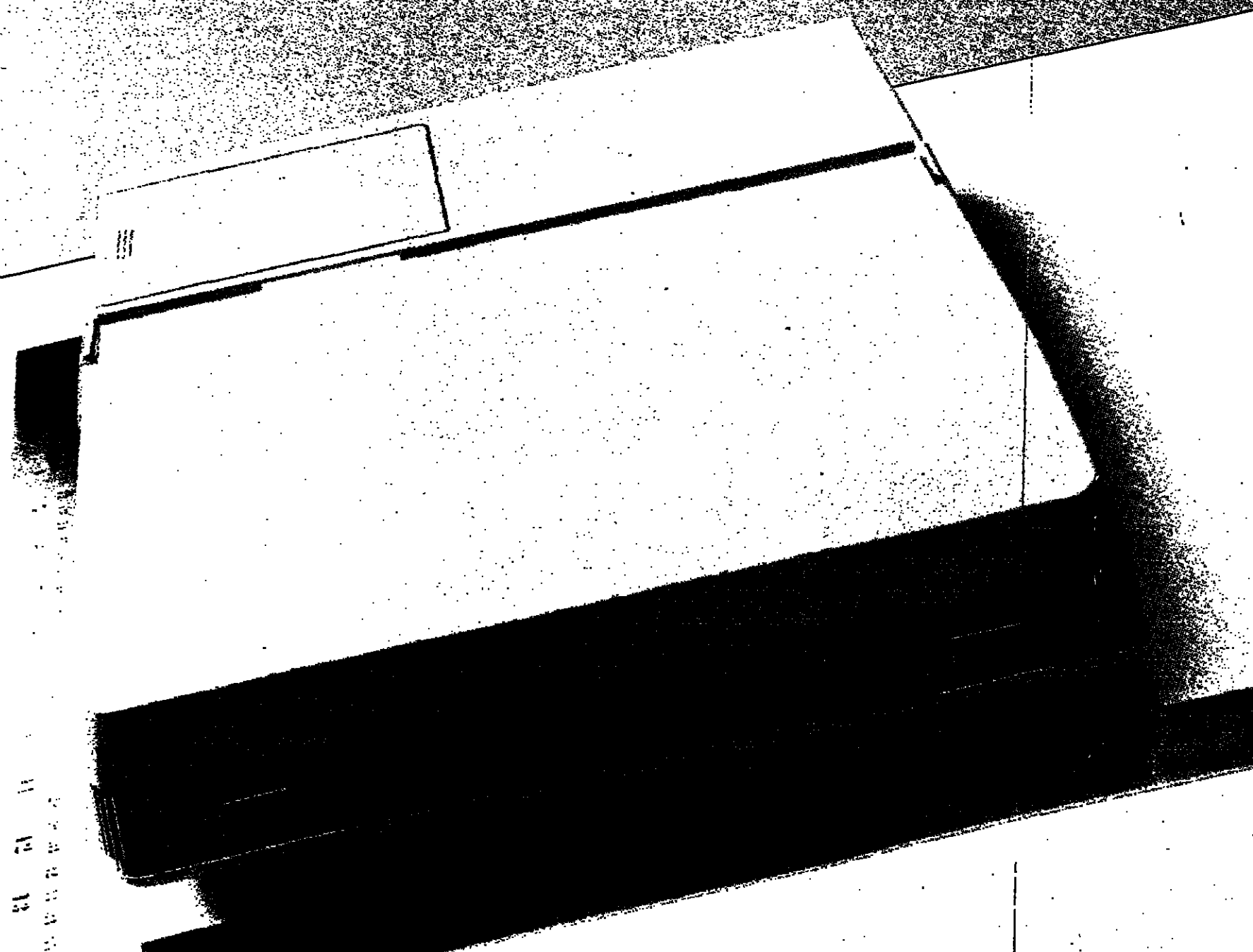
Domestic microcomputer makers nonetheless stand a good chance of imposing themselves on the home and education fronts. Entertainment and educational software can be fine-tuned to national tastes, giving domestic manufacturers an edge over foreign competitors.

"The difference between the home and professional [markets] is that when people buy a domestic computer they buy a computer culture," said Benoit Deniau at the Centre d'Etudes des Systemes et des Technologies Avancees in Paris.

As a result, analysts say, the European microcomputer industry might succeed in achieving leadership of home and educational markets. But manufacturers entered the microcomputer race too late to hope for European domination of the professional market, they add. "They would have had to start several years ago," Mr. Lussito said.



On the 20th of September, Data General will introduce the standard by which every other PC will be measured.



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IBM Compatibility: Not All the Clones Are Created Equal

By Fred Langan

TORONTO — In the battle for IBM compatibility there appears to be a clear winner — the Compaq. An early Canadian starter, the Hyperion, though praised for its design, has fallen to the back of the pack.

The IBM Personal Computer was introduced three years ago to snobs of derision from computer snobs. They said that there was nothing really new in the machine IBM called the PC, that it did not break new ground.

Now the IBM PC is the standard in personal computers. Its success has spawned dozens of imitators — one of them being used by IBM Canada — and produced thousands of programs to run on the PC. Software, has been developed for the IBM PC in record volume.

When it comes to the hardware, some manufacturers have been more successful than others in producing IBM clones. The big theme is compatibility, the effort to make the PC look-alike run all the programs designed to run on the real thing. Many promise this, but not all clones are created equal.

Take the Hyperion, built by the Montreal-based Bytec-Comintern. The manufacturer said the machine would run IBM PC software. "We have no problems with compatibility," said Stewart Bacon, executive vice president in charge of marketing.

Others disagreed. "The Hyperion just wasn't very clean," said Lewis Berkowitz, who recently sold a chain of computer stores and now distributes computers. "They had their chance and they were surpassed." Mr. Berkowitz does, however, like the size and the design of the Hyperion, a portable computer. "It's a nice package," he said.

A problem with being one of the first with an IBM-compatible machine — the Hyperion came out almost two years ago — is that the competition that follows can correct mistakes. One of the Hyperion's design flaws is that its memory can be expanded only to 256 kilobytes while the IBM PC and compatible machines can be expanded to 640 kilobytes or more. The extra memory is needed to run a lot of the newer, more sophisticated software packages, such as Symphony, an upgraded version of the best-selling Lotus 1-2-3 program.

Brian Angus, a 25-year-old computer consultant specializing in IBM PC compatibility, said that the Compaq is the best IBM-compatible machine available. "It's the only one that can run all the IBM PC software," he said. "It's the only one that can run all the IBM PC software."

IBM and IBM clones, claims that the Flight Simulator computer game program by Microsoft Corp. "is the big test of compatibility—it does all sorts of graphics and uses a lot of PC-specific functions." Mr. Angus said problems in IBM compatibility could be as simple as making an expansion slot in the back of the computer too small to take a board designed for the IBM PC. The board gives the computer more power — say, going from 256 to 640 kilobytes — or added features, such as a modem that allows the computer to send data to another computer over telephone lines.

Future Computing of Dallas is a computer market-research firm that has tested a number of IBM clones. It has listed many of the computers in terms of compatibility. Future Computing and many other industry observers who were consulted gave the Compaq top rating.

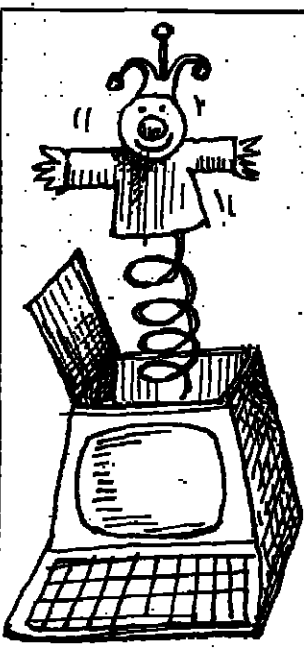
"We constantly test products for IBM compatibility," said Ron Ward, an analyst with Future Computing. "Manufacturers are learning a lot about compatibility." He said that, "a long time ago, back in 1983" they did not pay attention to details and the machines would not run programs designed for the IBM PC.

Mr. Ward said there were three levels of compatibility. Operational compatibility means a computer can run IBM software straight out of the box. Some machines in that category are the Compaq, the AT&T 6300, TTT's Xtra, Columbia Data Products machines, the Corona and others, including the Hyperion.

The next category is functional compatibility, referring to machines that have their own versions of IBM software. An example would be Texas Instruments' Professional.

Machines in the third category are described as data-compatible and can read IBM diskettes but cannot really run the programs. "There are not many of these left anymore," Mr. Ward said.

Another class uses the same operating system — the internal rules of the machine, known as PC DOS or MS DOS (DOS stands for disk operating system) — but a different disk — say, a three-and-a-half-inch disk as opposed to the five-and-a-quarter-inch disk used in the IBM PC.



Japan Trails U.S. in Use of Personal Computers

By Jack Burton

TOKYO — Japan is not yet "user friendly" when it comes to personal computers.

While Japan contends with the United States for dominance in the mainframe computer field, the United States has clearly forged ahead in the use of personal computers.

"Japan is three to five years behind the United States in terms of the public's acceptance of computers," said John T. Sakai, vice president of Computerland Japan Ltd., a major retailer of personal computers. "Although the state of the art is comparable to the States, software availability and user-friendly systems lag behind."

Although one million *pasoscon*, as the Japanese call personal comput-

ers, were sold last year, about 90 percent were low-scale 8-bit units, mainly suitable for playing games, and 80 percent of the computer software purchased were games, according to Software International, a company that modifies and wholesales U.S. software in Japan. Individual buyers of more powerful 16-bit personal computers, which can perform a variety of functions, tend to be dedicated computer hackers.

Personal computers have fallen into the category of consumer electronics products that includes videotape players and compact-disc players, where the Japanese have excelled in making the hardware but have been slow in providing the software that goes along with it, such as prerecorded movie cassettes, compact-disc records or, in

the case of computers, ready-to-use programs.

When Japanese manufacturers first brought out personal computers in the late 1970s, they made no attempt to supply software for their systems, leaving it up to independent software companies to produce computer programs on their own initiative.

Developing software in the first place was difficult since it had to process and display *kanji*, the Japanese ideographic writing system. Software developers were also leery of devoting time and money to producing specially designed programs for a wide range of computers that faced an uncertain future in the marketplace. The result was a stalemate and a lot of machines gathering dust because of an inadequate supply of software.

Recognizing the importance of software in marketing their units, makers of personal computers last year started including prepackaged programs, contracted from software developers, with their computers.

Still, the Japanese computer buyer has to face other difficulties in the software field. Although most 8-bit and 16-bit Japanese computers use a standard operating system, which enables the same program to be run on machines produced by different manufacturers, there is a lack of standard software.

Cost is another constraint on computer use. A top-of-the-line IBM 5550, a version of the IBM PC modified for the Japanese market, can cost \$4,000. Even the NEC PC-9800, Japan's best-selling 16-bit

computer, costs about \$1,200. That is beyond the reach of most Japanese households, where a videotape player priced at \$400 is considered a luxury item.

Several major manufacturers of personal computers are trying to correct the cost problem by introducing a series of so-called MSX 8-bit computers in the \$300-to-\$400 range. "To get to the heart of the consumer electronics market in Japan, you have to price your product at below \$500 and these computers are designed to do that," said Darrel Whitten, an analyst at Bache Shields in Tokyo.

Although Japan has started slowly in the personal computer revolution, it may finish at a good clip, albeit in a direction different from that in the United States.

Services Industry Blooms to Supply Microcomputer Boom

(Continued From Page 13)

style are emerging. Transactions such as home banking, brokerage and shopping head the list of such services for the residential market. Most are offered by single institutions, not as part of a large network such as CompuServe or the Source.

In the United States, about 20 financial institutions offer home banking, enabling customers to transfer funds, verify account balances and pay bills via personal computer. Many more plan to upgrade telephone bill-paying services to facilitate banking by computer. More than 30,000 U.S. households subscribe to a home banking service.

More than a dozen brokerages, from full-service to discount firms, offer stock information to microcomputer users. On a few of these services — especially those operated by discount brokerages such as C.D. Anderson in California or Fidelity Group in Boston — subscribers can initiate a stock transaction by entering a buy or sell order by computer. Banks with discount brokerage divisions, such as Chemical Bank, Madison National Bank or Bank of America (which owns Charles Schwab & Co.), are studying computer services as well.

Comp-U-Card International Inc., based in Stamford, Connecticut, has been the most successful of the on-line shopping services. Comp-U-Card has created a data base of more than 60,000 articles, ranging from novelty items to household appliances.

Comp-U-Card claims a membership of 800,000 households in the United States. That number, however, reflects both Comp-U-Card's

computer shopping services and its phone-in division. Comp-U-Card predicts that its membership will exceed one million by late this year. Home shoppers pay a \$25 yearly membership fee, and can charge what they buy to a major credit card. Comp-U-Card runs its own data base, which is available over on-line order. Grocery Express as well.

For consumers who know what they want before they go to the grocery store, computerized shopping can greatly simplify the process. Customers of San Francisco's Grocery Express, for example, buy \$70 worth of groceries per average on-line order. Grocery Express personnel assemble an order based on computer instructions, then deliver groceries to customers' homes. About 140 San Francisco residents take advantage of the service.

Several computerized shopping services are designed for the computer hobbyist, and they feature computer software and accessories. The most unusual is Fantasy Plaza, a computer bulletin board organized as an electronic shopping mall.

Fantasy Plaza was created by Gregg Collins, a computer programmer from Burbank, California, who runs the program on his Commodore 64 personal computer. Computer users dial the plaza, then view a floor plan of the six-level shopping center. By entering simple commands, the shopper can enter any of the specialty shops, which carry programs and accessories for most popular personal computer models. If a consumer decides to buy something, he enters an order number and pays the

"cashier" (by entering a credit card number) as he leaves the plaza. Although designed for the computer hobbyist, the plaza offers household appliances and electronic items as well. Mr. Collins is also considering a "basement level," which would feature adult-oriented novelties.

After making a purchase, the customer can be "driven" home via a computerized limousine. Mr. Collins estimated that the plaza received 300 electronic visits a day.

Mr. Collins is also the developer of Dial-Your-Match, a bulletin board that serves as a free electronic dating service. Lonely computer hackers join the service by filling out an on-line questionnaire with information on age, sexual preference, interests and physical characteristics. The computer then compares the questionnaire with others on file. Users can request the computer to provide only names that match a given percentage of the questions. Once a prospective date is chosen, the caller can make contact via electronic mail.

Mr. Collins also licenses Dial-Your-Match software. For \$149, anyone with an Apple or Commodore personal computer can establish a Dial-Your-Match service. There are about 50 Dial-Your-Match services to date, including ones in Vancouver and Marseille.

While on-line matchmaking may seem whimsical, some of the connections thus made have resulted in long-term relationships, and a few have led to marriage. One couple even got married by computer. The bride (from Arizona) met on CompuServe's CB Simulator and decid-

ed to get married over the same service. A minister typed the vows into a computer, the couple responded via computer, and about 75 "guests" (including the bride's mother) witnessed the ceremony on computer. Congratulations were sent via computer mail. "It was," said CompuServe's Mr. Baker, "a very interesting evening."

Many data-base services have been tailored for business computer users. CompuServe and the Source plan to tap the growing base of communicating business computers by offering services for executives. Both services carry the Official Airline Guides Electronic Edition, a computerized, frequently updated listing of domestic and international airline schedules and fares. CompuServe users can tie in with TWA's computerized reservation system to reserve or buy airline tickets. The Source has a national restaurant and hotel guide — a service "very popular with frequent travelers," Miss Beckman said.

Dow Jones & Co., which publishes the Wall Street Journal and Barron's, has developed a service comparable to CompuServe and the Source for business customers. Dow Jones News/Retrieval claims more than 160,000 subscribers. Users pay roughly \$72 an hour on-line, billed in one-minute increments. Services include up-to-date business news, a weekly update of economic statistics, current and past stock quotes and averages, financial and investment data and general reference. Dow Jones also includes a computerized shopping service and the Official Airline Guide.

On-line services have been devel-

oped for specific businesses as well. AgriData Resources Inc. is for farmers and agribusinesses, providing general and agricultural news

services, commodities quotes and classified advertising service for farmers. Harris Electronic News has a similar agribusiness service.

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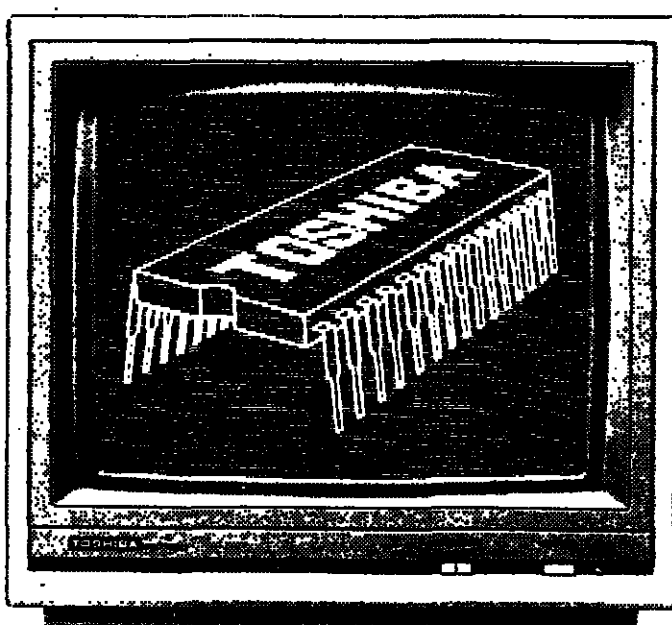
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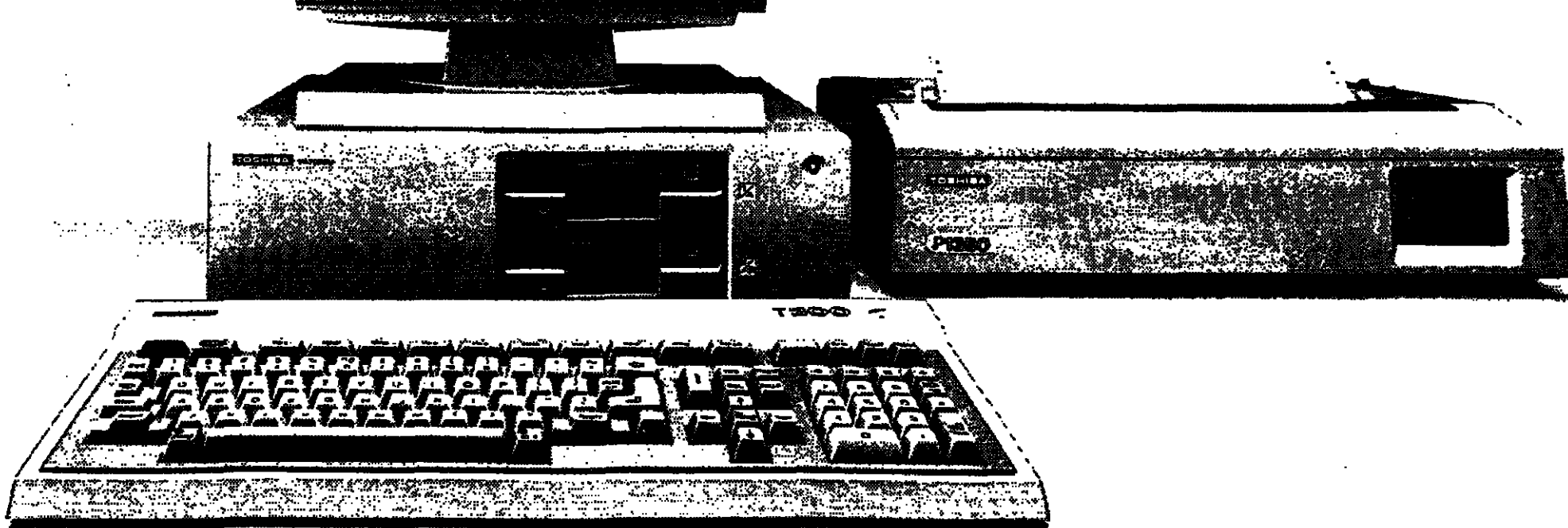
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Pöhl Says Intervention Will Not Weaken Dollar

FRANKFURT — Concerned central bank intervention to break the U.S. dollar's rise cannot work, Karl Otto Pöhl, the head of the West German's Bundesbank, said Monday.

"We [the Bundesbank] have said often enough," he said, "that we have no illusions over this. We don't want to lean against the wind." A concerted European interest-rate policy to counter the dollar is impractical and the U.S. Federal Reserve Board should not be blamed for its surge, Mr. Pöhl added.

The bank chief blamed the surging dollar and high U.S. interest rates primarily on the U.S. budget and current-account deficits. He said a decision by the Federal Reserve Board to ease monetary policy significantly would have the wrong impact, reawakening inflationary expectations and pushing U.S. interest rates still higher.

Mr. Pöhl also said that the clause in Mexico's multiyear rescheduling agreement allowing non-U.S. banks to switch debt out of the dollar is not a reason behind the dollar's recent surge.

According to all the textbooks, the huge U.S. current-account deficit should put pressure on the dollar, Mr. Pöhl said.

But the U.S. government is finding no problems financing the deficit, with U.S. banks now net borrowers on capital markets. Further, the abolition of the U.S. withholding tax on interest on U.S. bonds owned by foreign investors is de-

signed to attract even more foreign capital, he noted.

The Bundesbank has recommended the early lifting of a similar West German "coupon tax" on interest payments on German domestic bonds to foreign holders.

"This is unfortunately taking a long time in Bonn, but I hope and believe it will be proposed by the Finance Ministry soon," Mr. Pöhl said.

He said the dollar's rise has had clear benefits for the West German economy, with a 40-percent increase in first-half exports to the United States, and domestic interest rates showing a remarkable independence from U.S. trends. Consumer prices have risen over the past six months at an annual rate of just 1 percent.

Mr. Pöhl said that on balance West Germany cannot be satisfied with the current dollar level. West German price stability is by no means guaranteed, with domestic wage costs due to rise next year and the further trend of raw-material prices uncertain.

He said West German companies currently benefiting from windfall profits from dollar-based business should be wary of making the same mistake as in the 1960s, when long-term investment plans were made on the basis of what turned out to be an overvalued dollar against the mark.

Mr. Pöhl added he still sees no reason to relax or to tighten West German interest-rate policies. He



Karl Otto Pöhl

said the West German economy has picked up strongly since strikes in May and June as companies have made efforts to catch up on delivery delays. Inflation-adjusted growth in gross national product is now possible, he added. GNP is the total value of goods and services, including income from foreign investments.

First indications for August show that despite the dollar's surge, long-term capital outflows from West Germany have not accelerated from July's 3 billion Deutsche marks (\$993 million), Mr. Pöhl said.

He added that foreign investors appear to have been buying West German bonds in anticipation of currency gains if the mark recovers against the dollar.

On the Mexican debt agreement, Mr. Pöhl said that although there has been speculation recently on foreign-exchange markets that the Mexican clause has already led to currency switching, questioning of banks shows this has not been happening yet, he said.

EC Ministers Want EMS Strengthened

ENNIS, Ireland — European Community finance ministers meeting here informally have asked their central bankers to propose ways to boost the European Monetary System by November, diplomats said Monday.

They said the proposals should include measures to bring the economies of member states closer together, to liberalize their capital markets and to promote the European Currency Unit by encouraging its wider private use by corporations and individuals and by raising official ECU interest rates.

However, West Germany, supported by Britain, continued to press for the removal of remaining exchange controls within the community as a condition for any wider ECU role.

The diplomats said West Germany objects to the idea of a wider role for the ECU, which it considers should simply represent a basket of the 10 community currencies. It believes the ECU, which has been gaining influence on European bourses, could have an uncontrollable effect on the Deutschmark if allowed the status of a currency in its own right, they added.

The call for a strengthening of the EMS, created five years ago to prevent excessive fluctuations in exchange rates for European currencies, followed a weekend change in the composition of the ECU. The effect of this move, effective from Monday, was to reduce the strength of the mark in the ECU.

The finance ministers made a similar plea on strengthening the EMS in May this year.

World Bank Cites Constraints on Scope of Aid

By Hobart Rowen
Washington Post Service

WASHINGTON — The World Bank, a main source of development funds for almost 100 countries, said in its annual report published Monday that despite a variety of innovations to meet "exceptional difficulties," the scope of its aid had been constrained.

The annual report said that the bank had approved loans totaling \$11.9 billion in fiscal 1984, ending June 30, slightly less than had been projected, because borrowing countries had been forced to reduce their investments, and because "of the requirements of prudent financial management."

For fiscal 1985, the loan approval target has been set at \$12.6 billion to \$13.3 billion.

As a result of limits that donor nations, notably the United States, have placed on the resources they make available, lending by the World Bank's subsidized affiliate, the International Development Association, has been curbed, too. The new IDA program will be limited to \$9 billion for the next three years, 25 percent below the level that the World Bank had set as the necessary minimum.

The impact of reduced IDA re-

sources will be especially severe in Sub-Saharan Africa and other low-income countries, according to the World Bank report.

Because of these developments, the bank's role in the next several years will be a major discussion topic at a meeting in Washington Sunday of the joint IMF-Bank Development Committee. These talks will prelude the annual meeting of the two organizations starting next Monday. Before this joint session, however, the World Bank and the International Monetary Fund hold independent annual meetings starting Wednesday.

The bank's report said that discussions between the bank management and the executive board, which represents the shareholding countries, "on the future role of the bank take on an added importance" in the light of the limits on aid.

During the past year, the World Bank has been conducting a review on how best to adapt its development-aid efforts for the remaining years of the decade. As one phase of this "new role" exercise, the bank is studying a report on Africa to the development committee.

World Bank papers recently made public stress the growing diversity of bank programs designed

to assist Third World nations to adjust to the 1981-82 recession, without taking over the International Monetary Fund's primary role of short-term balance of payments assistance.

Because of the international debt crisis, the bank has sharply accelerated actual disbursements, which reached \$8.6 billion in fiscal 1984, compared with \$6.8 billion in fiscal 1983. But because of capital limitations, the bank's vice president for operations policy, S. Shaid Husain, said this acceleration in actual payments will level off "before too long."

Bank officials have said that they will soon need another major capital increase, but so far have not publicly speculated on how much.

The report also cited increased efforts by the bank to co-finance projects with private banks. In addition, the report describes the

bank's program of Structural Adjustment Lending. The SAL scheme was begun in 1980, and enables the bank to provide quick balance of payments support to countries ready to strike a five-to 10-year accord with the bank on specific objectives.

For example, a country might agree to reduce food or energy imports by a specific amount to qualify for the loan, which it would get in stages after a monitoring period shows the conditions are being met.

The World Bank said that of the total of \$15.5 billion in fiscal 1984 loans (World Bank and IDA credits combined), 7 percent, or nearly \$1.1 billion was in the SAL category. However, that was down from 1983, when SAL loans were 9 percent of \$14.5 billion, or \$1.3 billion. Beneficiaries in 1984 were the Ivory Coast, Korea, Malawi, Mauritius, Panama, and Turkey.



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Mexico Pact Called Unsuitable to Brazil Debt

FRANKFURT — The multi-

year Mexican rescheduling is a breakthrough in the international debt crisis, but its pattern cannot be applied to Brazil without changes, the spokesman for Deutsche Bank AG's management board, Wilfried Guth, said Monday.

The Mexican rescheduling, agreed on in principle with its 13 bank negotiating committee Sept. 7, will be an important model. But Brazil is still the most difficult case,

partly due to the sheer size of its international debt, Mr. Guth said. Brazil's foreign debt is estimated at \$90 billion. Although banks are not being asked to put up fresh cash for Mexico, there is no doubt that Brazil will need it, he said.

The Mexican pact will stretch out repayment of \$48.5 billion of debt over 14 years.

Mr. Guth said another major difference that will face banks when they meet to consider further rescheduling of Brazil's debt later this year is the large proportion of government-guaranteed credits

that will have to be renegotiated separately.

He said the Mexican agreement could meet resistance from regional U.S. banks, but the absence of a new cash element should ensure broad acceptance. Mexico should be able to resume normal market borrowing for fresh funds in 1985.

Mr. Guth said Brazil has made significant progress in the adjustment of its economy, but practically none on fighting inflation. He said that Argentina represents the most difficult political case in the current rescheduling negotiations.

PERSONALITIES PLUS
MARY BLUME
IN THE WEEKEND SECTION
OF FRIDAY'S IHT

Threat Is Seen From Dollar

(Continued from Page 11)

new issue of IMF special drawing rights. But Mr. Bergovoy said Monday that he would raise the issue in his conversations with administration and banking officials.

"We will ask for new IMF drawing rights, because there are vulnerabilities in the world banking system," affecting Argentina, Brazil and other heavily-indebted developing countries, he said.

In sharp contrast to the views of some of his own advisers, Mr. Bergovoy believes that the U.S. economic recovery will not falter. While a continued pickup in the United States could stimulate the

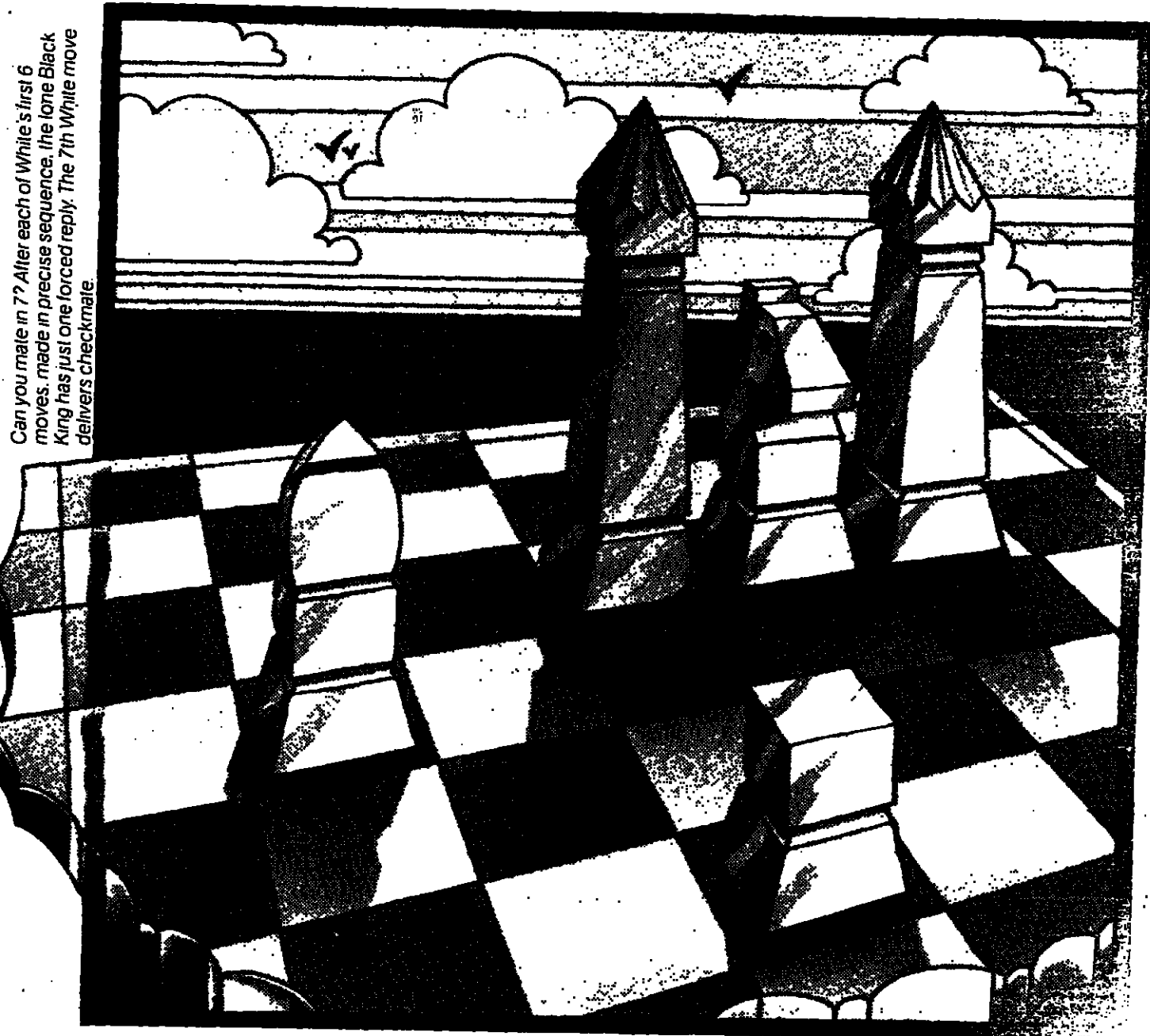
relatively modest European recovery, it also will mean that European governments must be "more rigorous in our fight against inflation and budget deficits," he added. "We have our responsibilities as well."

Tax Causes Manila Bus Strike

United Press International

MANILA — Twenty thousand angry drivers of small buses known as "jeepsneys" went on strike Monday, paralyzing mass transit for thousands of Philippine commuters.

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September 1984

Tables include the nationwide prices
up to the closing on 11/11/84

UP TO THE CLOSING ON WALL STREET

[illegible]**Sept. 17**[illegible]

Another important business statistic is that 81% of the readers of the International Herald Tribune possess one or more university degrees.

Another important business statistic is that 81% of the readers of the International Herald Tribune possess one or more university degrees.

BUSINESS ROUNDUP

China Reports
First Big Flow
In Offshore Field

BEIJING — The first significant flow of oil from a well drilled by a company that signed with China under the first round of commercial bidding for oil contract areas off the coast of China was announced Monday by China National Offshore Oil Corp.

It said that the Wenchang 1-2 (South) well in the Pearl River basin of the South China Sea, operated by Esso China Ltd., a subsidiary of Exxon Corp., is producing 3,132 barrels of oil a day.

Further drilling will be necessary to determine the commercial value of the well, the New China News Agency quoted China National Offshore Oil Corp. as saying.

Meanwhile, Marathon Petroleum Australia Ltd. reported Monday that the Talisman One well, 120 kilometers (74 miles) off Western Australia, flowed oil at a rate of 3,840 barrels a day.

Honda Seen Passing Forecast

TOKYO — Honda Motor Co. Ltd. is expected to report record results for the current year and may surpass its own forecasts because of rising car sales, securities analysts said Monday.

A Honda spokesman said the company has not revised its forecast of 1984/85 results but confirmed it will report net April record profits and sales for the year.

Honda estimates that parent company current profit in 1984/85 will rise nearly 5 percent to 56 billion yen (\$228 million) from 53.4 billion, on sales of 1.96 trillion, up 6 percent from 1.85 trillion, but it has not released a forecast of consolidated profit, in which a record is forecast.

However, analysts said it may report a 60-billion yen parent current profit because of the rising domestic and foreign car sales and a shift in demand to more expensive models.

Domestic January-August sales, excluding cars of 550,000 or less, rose to 165,651 from 153,099 a year earlier, against the average rise for all manufacturers of 0.8 percent, according to statistics of the Japan Automobile Dealers Association.

Analysts estimate 1984/85 consolidated net income at a record

110 billion to 115 billion yen on record sales of 2.56 trillion to 2.67 trillion, against 95.58 billion on 2.37 trillion a year earlier. Foreign exchange profits, lower production costs and falling motorcycle stocks will all contribute to the profits increase, they said.

A further factor is that Japan's export restraint program allows Honda to sell 372,400 cars to the United States in 1984 against 348,631 last year.

From the end of 1985 Honda will benefit from producing 40,000 XX models a year, an executive car jointly developed by Honda and B.L. Ltd. of the United Kingdom, the analysts said.

The analysts said the company is expected to raise funds in overseas capital markets this year or next to fund 80 billion yen of capital spending, more than 100 billion yen for research and development and spending on increased production facilities for Honda of America Manufacturing Inc., its U.S. production subsidiary.

NEC Is to Build
Plant in Scotland

TOKYO — NEC Corp. of Japan said Monday it will build a diffusion process plant and expand its existing facility in Scotland to meet increasing demand for semiconductors in Europe.

The company said construction of the 25-billion-yen (\$102-million) facility in Livingston, Scotland, will begin in October and the start of operation is scheduled for the first half of 1986.

The plant, to be established at NEC Semiconductors (UK) Ltd., a wholly-owned subsidiary, will have a production capacity of 6 million chips a month. The company said it expects sales to total 40 billion yen a month when full production starts.

AEG's announced readiness to meet its debt-repayment deadline came as little surprise because the

AEG Ready to Repay 350 Million DM of Debt

By Warren Getler
International Herald Tribune

FRANKFURT — AEG-Telefunken AG, the West German electrical concern, is prepared to repay key creditors 350 million DM (\$114.7 million) Tuesday as the company's Sept. 18 debt-settlement deadline falls due, a company spokeswoman said Monday.

A debt of 1.04 billion DM that AEG was due to repay a rescuing bank consortium led by Dresdner Bank, Deutsche Bank and Westdeutsche Landesbank will instead be made available as a credit line as of Tuesday, the spokeswoman said.

The emergency bank loans, which had been interest-free during debt-settlement proceedings, began in October 1982, will require interest payments at market interest rates beginning this week.

AEG's announced readiness to meet its debt-repayment deadline came as little surprise because the

company chairman, Heinz Dürr, said at a May press conference that AEG would have no trouble meeting this week's deadline and that the company's future, after posting its first profit in 15 years last year, was secure.

AEG, which follows Siemens AG and Bosch GmbH as West Germany's third largest electrical group, reported an operating profit of 37 million DM last year, and according to Mr. Dürr, is expected to be "in the black" in 1984.

In August 1982, a deeply indebted AEG was forced to seek protection from its creditors through court composition proceedings, making it the largest corporate insolvency in West German history.

In March 1983, large creditors agreed to write off 60 percent of their 5.9 billion DM in loans in return for an AEG pledge that the remaining 40 percent would be paid back by Sept. 18, 1984.

News of AEG's ability to meet its debt obligations on time helped lift prices of AEG shares on the Frankfurt Stock Exchange. The stock closed at 103 DM Monday, up from 100 DM Friday. In August 1982, the year that AEG posted a loss of 932 million DM, the company saw its share price fall to an all-time low of 23 DM. An analyst at a Frankfurt bank, who asked not to be identified, said that the value of AEG's shares could climb back to the January 1984 high of 110 DM, as "investors begin to read the press about AEG this week and see that the company appears to have overcome its worst of times."

The analyst said AEG, despite its improved performance, would not be in position to restore a dividend to stockholders at least until 1986-87. The company last paid a dividend of 5 DM a share in 1973. Analysts have said the company

plans to plow back its profits into operations.

"While the company's solvency now seems assured, AEG's profitability over the coming years remains an open question," the analyst said. "There are still weak spots (the office-equipment division) Olympia, household appliances, and operations at AEG's Brazilian and French subsidiaries that need to be overcome. It is that AEG has too few technologically top-of-the-line products and too many consumer-oriented items, where the market is stagnating, on its production palette."

AEG's world-wide sales for the first 5 months ending in May, the spokeswoman said, were 4.15 billion DM, or "about the same as the corresponding period last year." Sales had dipped marginally to DM 11.5 billion in 1983 from 11.6 billion the year before.

Floating Rate Notes

Sept. 17

Dollar

Issuer/Min. amt./Maturity	Coupon	Yield	Ask
Alkermes 100/10/82	12%	12.00	100.00
Alkermes 100/10/83	12%	12.00	100.00
Alkermes 100/10/84	12%	12.00	100.00
Alkermes 100/10/85	12%	12.00	100.00
Alkermes 100/10/86	12%	12.00	100.00
Alkermes 100/10/87	12%	12.00	100.00
Alkermes 100/10/88	12%	12.00	100.00
Alkermes 100/10/89	12%	12.00	100.00
Alkermes 100/10/90	12%	12.00	100.00
Alkermes 100/10/91	12%	12.00	100.00
Alkermes 100/10/92	12%	12.00	100.00
Alkermes 100/10/93	12%	12.00	100.00
Alkermes 100/10/94	12%	12.00	100.00
Alkermes 100/10/95	12%	12.00	100.00
Alkermes 100/10/96	12%	12.00	100.00
Alkermes 100/10/97	12%	12.00	100.00
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Alkermes 100/10/99	12%	12.00	100.00
Alkermes 100/10/00	12%	12.00	100.00
Alkermes 100/10/01	12%	12.00	100.00
Alkermes 100/10/02	12%	12.00	100.00
Alkermes 100/10/03	12%	12.00	100.00
Alkermes 100/10/04	12%	12.00	100.00
Alkermes 100/10/05	12%	12.00	100.00
Alkermes 100/10/06	12%	12.00	100.00
Alkermes 100/10/07	12%	12.00	100.00
Alkermes 100/10/08	12%	12.00	100.00
Alkermes 100/10/09	12%	12.00	100.00
Alkermes 100/10/10	12%	12.00	100.00

Non Dollar

Issuer/Min. amt./Maturity	Coupon	Yield	Ask
Alkermes 100/10/82	12%	12.00	100.00
Alkermes 100/10/83	12%	12.00	100.00
Alkermes 100/10/84	12%	12.00	100.00
Alkermes 100/10/85	12%	12.00	100.00
Alkermes 100/10/86	12%	12.00	100.00
Alkermes 100/10/87	12%	12.00	100.00
Alkermes 100/10/88	12%	12.00	100.00
Alkermes 100/10/89	12%	12.00	100.00
Alkermes 100/10/90	12%	12.00	100.00
Alkermes 100/10/91	12%	12.00	100.00
Alkermes 100/10/92	12%	12.00	100.00
Alkermes 100/10/93	12%	12.00	100.00
Alkermes 100/10/94	12%	12.00	100.00
Alkermes 100/10/95	12%	12.00	100.00
Alkermes 100/10/96	12%	12.00	100.00
Alkermes 100/10/97	12%	12.00	100.00
Alkermes 100/10/98	12%	12.00	100.00
Alkermes 100/10/99	12%	12.00	100.00
Alkermes 100/10/00	12%	12.00	100.00
Alkermes 100/10/01	12%	12.00	100.00
Alkermes 100/10/02	12%	12.00	100.00
Alkermes 100/10/03	12%	12.00	100.00
Alkermes 100/10/04	12%	12.00	100.00
Alkermes 100/10/05	12%	12.00	100.00
Alkermes 100/10/06	12%	12.00	100.00
Alkermes 100/10/07	12%	12.00	100.00
Alkermes 100/10/08	12%	12.00	100.00
Alkermes 100/10/09	12%	12.00	100.00
Alkermes 100/10/10	12%	12.00	100.00

Prices supplied by Credit Suisse-First Boston Ltd., London

Bankers See Cut
In Expenditure
For Petronas

KUALA LUMPUR — Malaysia's national oil company, Petronas, may be forced to cut spending on oil field development in the short term as a result of its \$128-million plan to rescue Bank Bumiputra, bankers said Monday.

"In the short term the takeover may leave Petronas with significant loss in liquidity which could affect its oil exploration and development activity," one leading banker said.

The Malaysian government announced on Friday that Petronas would inject 300 million dollars into the bank and take over a \$1-billion debt incurred by the bank through bad loans to Hong Kong property developers. Petronas would acquire a 90-percent stake in the state-owned bank.

Last month Petronas said it was shelving plans costing 1.6 billion dollars to develop the major offshore Dulang oil field off the eastern state of Trengganu.

ADVERTISEMENT
INTERNATIONAL FUNDS
Quotations Supplied by Funds Listed
17 September 1984

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds which submit only weekly or monthly prices. The following symbols indicate frequency of quotations supplied for the 1977:			
(d) — daily; (w) — weekly; (b) — bi-monthly; (r) — regularly; (i) — irregularly.			
ALM MANAGEMENT	\$1,374.41	ORANGE KASSAB GROUP	FL 138.00
(w) Alkermes 100/10/82	12%	(w) Alkermes 100/10/82	12%
(w) Alkermes 100/10/83	12%	(w) Alkermes 100/10/83	12%
(w) Alkermes 100/10/84	12%	(w) Alkermes 100/10/84	12%
(w) Alkermes 100/10/85	12%	(w) Alkermes 100/10/85	12%
(w) Alkermes 100/10/86	12%	(w) Alkermes 100/10/86	12%
(w) Alkermes 100/10/87	12%	(w) Alkermes 100/10/87	12%
(w) Alkermes 100/10/88	12%	(w) Alkermes 100/10/88	12%
(w) Alkermes 100/10/89	12%	(w) Alkermes 100/10/89	12%
(w) Alkermes 100/10/90	12%	(w) Alkermes 100/10/90	12%
(w) Alkermes 100/10/91	12%	(w) Alkermes 100/10/91	12%
(w) Alkermes 100/10/92	12%	(w) Alkermes 100/10/92	12%
(w) Alkermes 100/10/93	12%	(w) Alkermes 100/10/93	12%
(w) Alkermes 100/10/94	12%	(w) Alkermes 100/10/94	12%
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(w) Alkermes 100/10/00	12%	(w) Alkermes 100/10/00	12%
(w) Alkermes 100/10/01	12%	(w) Alkermes 100/10/01	12%
(w) Alkermes 100/10/02	12%	(w) Alkermes 100/10/02	12%
(w) Alkermes 100/10/03	12%	(w) Alkermes 100/10/03	12%
(w) Alkermes 100/10/04	12%	(w) Alkermes 100/10/04	12%
(w) Alkermes 100/10/05	12%	(w) Alkermes 100/10/05	12%
(w) Alkermes 100/10/06	12%	(w) Alkermes 100/10/06	12%
(w) Alkermes 100/10/07	12%	(w) Alkermes 100/10/07	12%
(w) Alkermes 100/10/08	12%	(w) Alkermes 100/10/08	12%
(w) Alkermes 100/10/09	12%	(w) Alkermes 100/10/09	12%
(w) Alkermes 100/10/10	12%	(w) Alkermes 100/10/10	12%



Certificates of Accrual on Treasury Securities

Series S

Zero Coupon

\$5,312,500,000 Coupon CATS due semiannually

February 15, 1985—August 15, 2009

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CATS of Series S represent ownership in serially maturing interest payments or principal payments on specific underlying United States Treasury Bonds. The underlying interest and principal payments are direct obligations of the United States of America. Owners of Coupon CATS receive a single payment at maturity. Owners of Callable CATS receive a principal payment upon maturity or earlier redemption of the underlying Treasury Bonds and any coupon payments which may mature at or prior to redemption of the Bonds.

CATS of Series S have been issued in bearer and registered form. Coupon CATS and Callable CATS of Series S are being offered in registered form, in face amounts of \$1,000 and integral multiples of \$1,000, and are being offered in bearer form for sale outside the United States to eligible non-U.S. persons.

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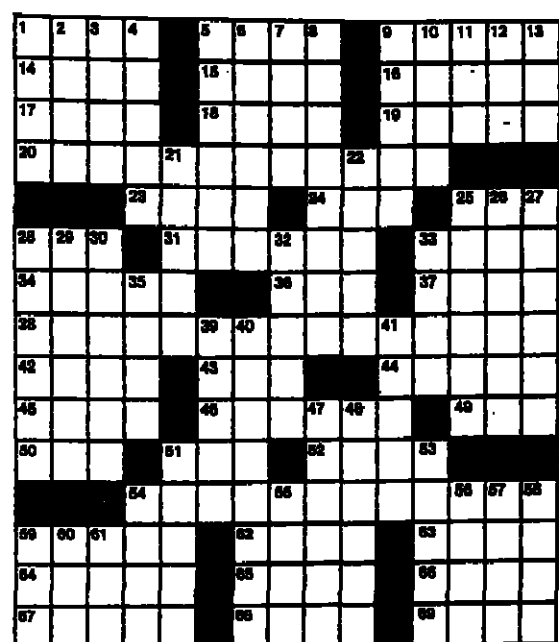
Atlantic Capital
Corporation

EuroPartners Securities Corporation

Sogen Securities Corporation

Swiss Bank Corporation International Securities Inc.

UBS Securities Inc.



ACROSS

1 Brewer's foamy yeast
5 "For once, upon a gusty day..."
9 Prior's superior
14 Olive for Ovid
15 Skit style
16 Raccoon's relative
17 Biblical king
18 Something singular
19 Condor's claw
20 Martin Sheen, n.
23 Taunt
24 Word with cent or hearing
25 One of a Latin trio
26 Bell and Kettle
31 Alfonso's polite ami
33 B-way bomb
34 Tannin
36 Press a suit
37 River in Switzerland
38 Bob Dylan, n.
42 Portent
43 Charged particle
44 Revisited
45 Chalcedony
46 Insouciant pitcher
48 Russian state: abbr.
50 Between ar and age
51 Buddy
52 Choir member
54 Engelbert Humperdinck, n.
58 Unaccompanied
59 French literary lion
63 Salt tree
64 Evade
65 An anagram for Eric
66 Popular piano piece
67 Dutch painter
68 Heel over
69 "— a dark and stormy..."
DOWN
1 Male pig
2 Pesky pool plant
3 Enlarge a hole
4 Gog and
5 A protozoan
6 Hair clippers
7 Nodded French violinist: 17th c.
8 Bookie's ballwick
9 Functioned
10 Ruth's husband
11 Dance, in France
12 Slout
13 Kind of soldier
21 Long African waterway
22 Asp's lethal liquid
25 Cottonwoods
26 Marsh
27 Key, sometimes
28 Glim
29 Scents
30 Cavalry weapons
32 Cantor and Polux
33 Klingner portrayer
35 Give for a time
36 Giant
40 Of animals
41 An—the ground
47 Cause sorrow for Esau
48 An adjective
51 Dress carefully
53 Praying figure
54 Cherub, in Cherbourg
55 In Turkey, 100 clasters
56 Cache
57 Post—wheeler
58 Spouted
59 Editions
60 Sale notices, for short
61 Pindaric

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DENNIS THE MENACE



"ON YOU NAME FOUR THINGS THAT CONTAIN MILK?"

"ICE CREAM AND THREE COWS."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ROHT
ILFOO
GIANAU
UMLUTT

Print answer here: _____

Yesterday's Jumble: DRAMA BEFOG UNSAID MAGNUM
Answer: From the surgeon came these words—"GO, NURSE!"

WEATHER

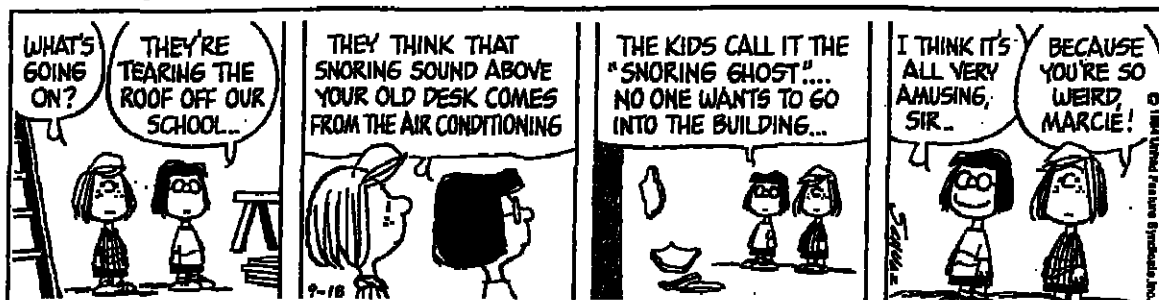
EUROPE				ASIA			
City	High	Low	Clouds	City	High	Low	Clouds
Algeria	18	14	10	Beijing	27	21	10
Amsterdam	14	10	10	Bombay	30	24	10
Berlin	14	10	10	Buenos Aires	27	21	10
Bombay	30	24	10	Calcutta	30	24	10
Buenos Aires	27	21	10	Colon	27	21	10
Calcutta	30	24	10	Hankow	27	21	10
Colon	27	21	10	Hong Kong	27	21	10
Hankow	27	21	10	Kobe	27	21	10
Hong Kong	27	21	10	London	14	10	10
Kobe	27	21	10	Manila	27	21	10
London	14	10	10	Medan	27	21	10
Manila	27	21	10	Osaka	27	21	10
Medan	27	21	10	Shanghai	27	21	10
Osaka	27	21	10	Singapore	27	21	10
Shanghai	27	21	10	Taipei	27	21	10
Singapore	27	21	10	Tokyo	27	21	10
Taipei	27	21	10				
Tokyo	27	21	10				

MIDDLE EAST

City	High	Low	Clouds
Amman	27	21	10
Baghdad	27	21	10
Beirut	27	21	10
Jerusalem	27	21	10
Tel Aviv	27	21	10

SEA: Foggy. Tense 24-14 (7-7). SINGAPORE: Foggy. Tense 24-14 (7-7). TOKYO: Rain. Tense 24-14 (7-7).

PEANUTS



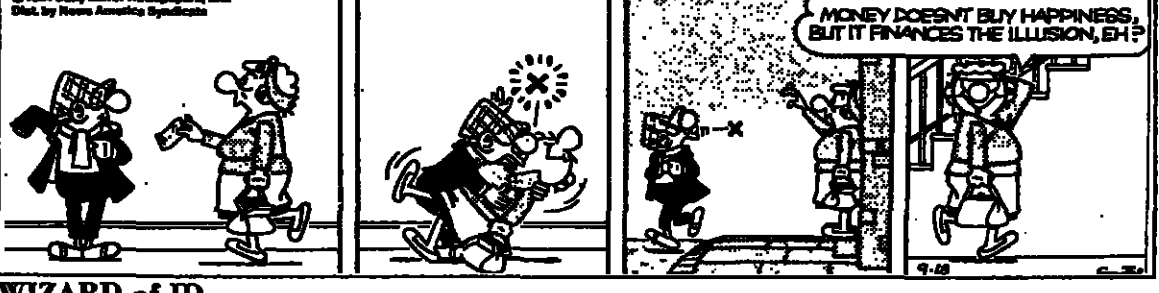
BLONDE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



Canadian Stock Markets

Prices in Canadian cents unless marked \$

Toronto				High Low Close			
Symbol	High	Low	Close	Symbol	High	Low	Close
ABN	11.14	11.14	11.14	ABN	11.14	11.14	11.14
ACF	11.14	11.14	11.14	ACF	11.14	11.14	11.14
ADN	11.14	11.14	11.14	ADN	11.14	11.14	11.14
AEI	11.14	11.14	11.14	AEI	11.14	11.14	11.14
AGL	11.14	11.14	11.14	AGL	11.14	11.14	11.14
ALC	11.14	11.14	11.14	ALC	11.14	11.14	11.14
ALM	11.14	11.14	11.14	ALM	11.14	11.14	11.14
ALP	11.14	11.14	11.14	ALP	11.14	11.14	11.14
ALR	11.14	11.14	11.14	ALR	11.14	11.14	11.14
ALU	11.14	11.14	11.14	ALU	11.14	11.14	11.14
ALV	11.14	11.14	11.14	ALV	11.14	11.14	11.14
ALW	11.14	11.14	11.14	ALW	11.14	11.14	11.14
ALX	11.14	11.14	11.14	ALX	11.14	11.14	11.14
ALY	11.14	11.14	11.14	ALY	11.14	11.14	11.14
ALZ	11.14	11.14	11.14	ALZ	11.14	11.14	11.14
AL1	11.14	11.14	11.14	AL1	11.14	11.14	11.14
AL2	11.14	11.14	11.14	AL2	11.14	11.14	11.14
AL3	11.14	11.14	11.14	AL3	11.14	11.14	11.14
AL4	11.14	11.14	11.14	AL4	11.14	11.14	11.14
AL5	11.14	11.14	11.14	AL5	11.14	11.14	11.14
AL6	11.14	11.14	11.14	AL6	11.14	11.14	11.14
AL7	11.14	11.14	11.14	AL7	11.14	11.14	11.14
AL8	11.14	11.14	11.14	AL8	11.14	11.14	11.14
AL9	11.14	11.14	11.14	AL9	11.14	11.14	11.14
AL0	11.14	11.14	11.14	AL0	11.14	11.14	11.14

Amsterdam

Symbol	High	Low	Close
ABN	11.14	11.14	11.14
ACF	11.14	11.14	11.14
ADN	11.14	11.14	11.14
AEI	11.14	11.14	11.14
AGL	11.14	11.14	11.14
ALC	11.14	11.14	11.14
ALM	11.14	11.14	11.14
ALP	11.14	11.14	11.14
ALR	11.14	11.14	11.14
ALU	11.14	11.14	11.14
ALV	11.14	11.14	11.14
ALW	11.14	11.14	11.14
ALX	11.14	11.14	11.14
ALY	11.14	11.14	11.14
ALZ	11.14	11.14	11.14
AL1	11.14	11.14	11.14
AL2	11.14	11.14	11.14
AL3	11.14	11.14	11.14
AL4	11.14	11.14	11.14
AL5	11.14	11.14	11.14
AL6	11.14	11.14	11.14
AL7	11.14	11.14	11.14
AL8	11.14	11.14	11.14
AL9	11.14	11.14	11.14
AL0	11.14	11.14	11.14

Brussels

Symbol	High	Low	Close
ABN	11.14	11.14	11.14
ACF	11.14	11.14	11.14
ADN	11.14	11.14	11.14
AEI	11.14	11.14	11.14
AGL	11.14	11.14	11.14
ALC	11.14	11.14	11.14
ALM	11.14	11.14	11.14
ALP	11.14	11.14	11.14
ALR	11.14	11.14	11.14
ALU	11.14	11.14	11.14
ALV	11.14	11.14	11.14
ALW	11.14	11.14	11.14
ALX	11.14	11.14	11.14
ALY	11.14	11.14	11.14
ALZ	11.14	11.14	11.14
AL1	11.14	11.14	11.14
AL2	11.14	11.14	11.14
AL3	11.14	11.14	11.14
AL4	11.14	11.14	11.14
AL5	11.14	11.14	11.14
AL6	11.14	11.14	11.14
AL7	11.14	11.14	11.14
AL8	11.14	11.14	11.14
AL9	11.14	11.14	11.14
AL0	11.14	11.14	11.14

Other Markets

Symbol	High	Low	Close
ABN	11.14	11.14	11.14
ACF	11.14	11.14	11.14
ADN	11.14	11.14	11.14
AEI	11.14	11.14	11.14
AGL	11.14	11.14	11.14
ALC	11.14	11.14	11.14
ALM	11.14	11.14	11.14
ALP	11.14	11.14	11.14
ALR	11.14	11.14	11.14
ALU	11.14	11.14	11.14
ALV	11.14	11.14	11.14
ALW	11.14	11.14	11.14
ALX	11.14	11.14	11.14
ALY	11.14	11.14	11.14
ALZ	11.14	11.14	11.14
AL1	11.14	11.14	11.14
AL2	11.14	11.14	11.14
AL3	11.14	11.14	11.14
AL4	11.14	11.14	11.14
AL5	11.14	11.14	11.14
AL6	11.14	11.14	11.14
AL7	11.14	11.14	11.14
AL8	11.14	11.14	11.14
AL9	11.14	11.14	11.14
AL0	11.14	11.14	11.14

BOOKS

THE WEAKER VESSEL

By Antonia Fraser. 544 pp. \$19.95.
Knopf, 201 East 50th Street,
New York, N.Y. 10022.

Reviewed by Cecelia Holland

SEVENTEENTH-CENTURY England was an engine fueled by the tensions of paradox. The early Stuart kings claimed to rule by divine right; the rising expectations of a new age of prosperity were thrusting into prominence men and women with no traditional rights at all. As often in troublesome times those whose position was ambiguous, whose rights were uncertain, made out better than those whose lofty place seemed anchored in the fabric of the universe.

The contradiction provides the structure for Antonia Fraser's beautifully presented new book, "The Weaker Vessel," a comprehensive study of women in 17th-century England. The established wisdom of the time, controlled by men since only men were supposed to be literate, supplied an image of women as weaker than men, dependent, passive, pliant, prone to sin and folly. Queen Elizabeth, that formidable and dominating female intellect, was dead and gone. In a country largely Protestant, there were no convents where a woman could acquire learning, and the image of the Virgin Mary, the chaste and ennobling female, was largely lost as popish. "Daughters of Eve," women were held responsible for the loss of Eden; most men thought it useless to try to educate them in more than needlework and cooking.

One hopes the men who concocted this imaginary scenario found it soothing, because as Fraser is able to demonstrate, drawing on masses and masses of primary sources, women in this time as in our own lived as fully and as effectively as men.

The 17th century was a revolutionary period for England of Roundhead and Cavalier, of the level and languid Restoration, of the Great Plague and the Great Fire. In the course of the century the whole of English society experienced profound changes, and such unsettled times always allow bold and creative people the liberty to do as they please.

During the Civil War, many women dressed as men and went off to drag a pike with the best of them. One even became a highwayman. Noblemen led the defense of family castles, much to the frustration of the enemy commanders, who kept telling them that they were ladies and not supposed to be brave. The

women who took to the streets in support of the Leveller Movement were as fierce as male armies.

The book reads wonderfully like a highbrow gossip column. Fraser is far too fine a historian to devote much time to her own opinions. Instead she gives us life after woman's life, in choice and telling detail. This is "hidden history," that which usually falls away between the lines of a historian bent on the deeds of the great and extraordinary; the history of ordinary women, and therefore of ordinary men. As such it is both tantalizingly familiar and utterly exotic, close and yet distant to our own lives.

Of course all women suffered then more extremely than now from an incontrovertible gender difference. With no adequate birth control, sexually active females were usually pregnant a good deal of the time. That this connection with the life force gave them a potency unavailable to men is a positive side of the miseries of bearing children in the time before antiseptics, when midwives sometimes pulled off the heads of babies they were trying to deliver, when infants died as often as they lived.

Some of the women whose lives Fraser spins out for us seemed to be perpetually still-bellied, dropping one child after another. Still they went on doing what they found necessary, loading cannon, pleading for imprisoned husbands, traveling on horseback through enemy territory, confronting Cromwell himself with his broken promises and his excesses, calmly enduring the natural functioning of their bodies and the extraordinary dysfunctioning of their society.

Then the civil uproar slackened. Charles II became king, that lazy, lovable, lascivious monarch, his temperament ideally suited to preside over the middle stages of the shift of power from crown to parliament; suddenly there seemed many fewer challenges, and therefore, fewer heroines.

Antonia Fraser is the daughter of Elizabeth Longford, whose recent "Eminent Victorian Women" also demonstrates the reality of well-lived womanly lives in a time when females weren't supposedly capable of independence. "The Weaker Vessel" is dedicated to Fraser's mother. In a large sense it is a tribute to all our mothers, all the way back to Eve, misunderstood and misvalued, feared and loved and oppressed and free, sustainers of worlds.

Cecelia Holland's most recent historical novel, "The Bell of Gold," takes place in 5th-century Byzantium. She wrote this review for The Washington Post.

CHESS

By Robert Byrne

THE fourth all-grandmaster tournament was won by 32-year-old Jan Timman of the Netherlands, who scored 8½-4½ in the 14-player round-robin event.

The previous winners were Anatoly Karpov and Boris Spassky in 1978; Karpov in 1980 and Gary Kasparov in 1982. The event is held every other year.

In his game with Vladimir Kovacevic of Yugoslavia, Timman scored with a double-rook sacrifice.

The development with 3 QN-Q2 is less aggressive than 3 P-B4, but Kovacevic seems to like harmless variety.

The Yugoslav could have created an unbalanced position by 9 P-KN4, B-N3, 10 N-R4 (10 P-N5, N-K5, 11 Q-QP, P-B3; 12 Q-N3, N-NP would give Black free, unhindered piece play. B-Q3; 11 NxB, RfPxN; 12 B-N2, but he continued in a conservative vein.

It could be seen after 20... N-K3 that Timman had the freer position and the initiative. It might have been prudent for Kovacevic to prevent 21... N-E5 by 21 Q-N1. Anyhow, on 21 Q-R1, N-

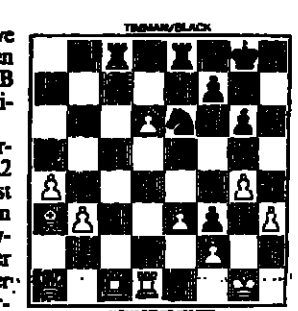
K5, Kovacevic should have captured with 22 PxP, when 22... N-N3; 23 BxN, BxB would have kept him in business.

Instead, he inverted this order of moves by playing 22 N-N3, P-N3; 23 P-N3. He must have thought that Timman could not permit White a powerful passed pawn at Q6 after 23... P-N3; 24 PxB; but after 24... Q-N4, Black had a terrific mating attack.

Defense by 25 P-N3 would not hold against 25... Q-R4; 26 P-R4; Q-N5; 27 K-R2, N-N4; 28 P-N, Q-R4; 29 K-N1, Q-R6, forcing mate. Thus, Kovacevic had to rely on 25 P-KN4.

Now 25... Q-R5 would have allowed White to put up a fight with 26 Q-K1 followed by 27 Q-N3 or 27 Q-R2. That is why Timman gave up his knight with 25... N-E5! to cut off the white queen.

That was only the beginning—after 26 R-R1, Timman gave up both rooks with 26... NxB; 27 K-R2 (27 K-B1, R-R1; 28 P-Q7, R-Q1; 29 Q-Q4, Q-R5; 30 P-K4, R-P1, annihilating). Q-R5; 28 R-R1, K-R2. The point was that the white king was caught in a mating net. Thus, 29 R-R1,



Position after 25 P-KN4

N-B5ch; 30 K-N1, N-K7ch; 31 K-B1, QxRmate was one possibility.

Kovacevic stubbornly kept lurching forward with 29 QxPch, but after 32... QxPch, he gave up in the face of 33 K-N, Q-N7ch; 34 K-R4, Q-R7mate.

QUEEN'S PATH OPENING
1. e4 e5 2. Nf3 Nc6 3. Bb5 Nf6 4. d4 exd4 5. Nxd4 Bc5 6. Nxc6 Bxc6 7. Bxc6 Nf6 8. Bb5 Nf6 9. d4 exd4 10. Nxd4 Bc5 11. Nxc6 Bxc6 12. Bxc6 Nf6 13. Bb

